NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

CIS

Congressional Information Service, Inc
Washington, D.C

98TH CONGRESS
2d Session } HOUSE OF REPRESENTATIVES { REPT. 98-891
VOLUME 2

IN THE MATTER OF REPRESENTATIVE GEORGE V. HANSEN

REPORT

OF THE

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
HOUSE OF REPRESENTATIVES

JULY 19, 1984.—Referred to the House Calendar and ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE
34-569 O WASHINGTON : 1984

H743-2

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

LOUIS STOKES, Ohio, *Chairman*

NICK JOE RAHALL II, West Virginia
ED JENKINS, Georgia
JULIAN C. DIXON, California
VIC FAZIO, California
WILLIAM J. COYNE, Pennsylvania

FLOYD D. SPENCE, South Carolina
BARBER B. CONABLE, Jr., New York
JOHN T. MYERS, Indiana
HANK BROWN, Colorado
JAMES V. HANSEN, Utah
THOMAS J. BLILEY, Jr., Virginia

John M. Swanner, *Staff Director*
John F. Davison, *Chief Counsel*
Stanley M. Brand, *Special Counsel*
Abbe David Lowell, *Special Counsel*

98TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 98–891
2d Session } { VOLUME 2

IN THE MATTER OF REPRESENTATIVE GEORGE V. HANSEN

JULY 19, 1984.—Referred to the House Calendar and ordered to be printed

---

Mr. STOKES, from the Committee on Standards of Official Conduct, submitted the following

REPORT

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF REPRESENTATIVE GEORGE V. HANSEN	98th Congress 2d Session

STIPULATION

It is hereby stipulated by and between Special Counsel for the Committee on Standards of Official Conduct of the House of Representatives ("the Committee") and counsel for Representative George V. Hansen that for purposes of the above-entitled proceedings:

1. The transcript of the trial docketed as Number Cr. 83-75 in the United States District Court for the District of Columbia ("trial"), now in the possession of Special Counsel, shall be deemed a true and accurate copy of the original trial transcript, so that a certified copy of the original trial transcript need not be made part of the Committee record.

2. The copies of trial exhibits which are now in the possession of Special Counsel, shall be deemed true and accurate copies of the originals of such exhibits, so that certified copies of the original exhibits need not be made part of the Committee records.

3. Those portions of the trial transcript and the exhibits recited above, which have been designated by Special Counsel and cross-designated by counsel for Congressman Hansen, shall be

deemed the only portions of the trial record which will be considered relevant and material to the Committee's investigation, provided, however, that by so stipulating, neither Special Counsel nor counsel for Congressman Hansen concedes that all such portions are necessarily relevant and material to such investigation.

Nathan Lewin
Counsel for Representative Hansen

Stanley M. Brand
Stanley M. Brand

Abbe David Lowell

Special Counsel to the Committee

May 17, 1984

TRANSCRIPT OF TRIAL PROCEEDINGS IN THE CASE OF THE UNITED STATES OF AMERICA

V.

GEORGE VERNON HANSEN

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

CRIM. NO. 83-75

CONTENTS

DATE OF PROCEEDING	WITNESSES	TRANSCRIPT PAGE NO.
March 21, 1984	James M. Reed ---------------	3
	David R. Scott --------------	33
	Nelson Bunker Hunt ----------	78
	Owen Nichols ----------------	159
March 22, 1984	Owen Nichols ----------------	183
	Samuel Patrick Henry --------	255
	Michael Marenick ------------	290
	Leslie Ming -----------------	309
	Stuart Perry Goldberg -------	392
March 23, 1984	C. Lee Galdwell -------------	413
	Richard W. Garvin -----------	462
	George Jones ----------------	493
	Carl McAfee -----------------	507
March 26, 1984	Carl McAfee -----------------	551
	Gwendolyn Yvonne Jones ------	612
	Odell Rogers ----------------	619
	Malcolm Eugene Van Dyke -----	644
	John D. Meade, Jr. ----------	658
	Thomas G. Miller ------------	838
	Robert Lee Norwood ----------	848
March 27, 1984	Jackson E. Reasor, Jr. ------	871
	Ivan Irwin, Jr. -------------	930
	Kenneth A. Caruso -----------	992
	John L. Runft ---------------	1008
March 28, 1984	Constance S. Hansen ---------	1169
	James T. McKenna ------------	1334
March 29, 1984	James T. McKenna ------------	1396
	Gary Jarmin -----------------	1558
	David Scott -----------------	1589
March 30, 1984	Richard Nielson -------------	1630
	Robert G. Rowe, III ---------	1657

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - X

UNITED STATES OF AMERICA :
VS. : CRIMINAL ACTION NO. 83-75
GEORGE VERNON HANSEN, :
DEFENDANT : VOLUME 3-A

- - - - - - - - - - - - - - - - - - X

WASHINGTON, D. C.

WEDNESDAY, MARCH 21, 1984

THE ABOVE-ENTITLED MATTER CAME ON FOR FURTHER TRIAL BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 9:30 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA

(EXCERPT - OPENING STATEMENTS)

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

MR. COLE: GOOD MORNING, LADIES AND GENTLEMEN. WE WERE ALL INTRODUCED YESTERDAY, BUT YESTERDAY WAS A PRETTY LONG DAY, SO LET ME JUST DO IT ONE MORE TIME.

MY NAME IS JIM COLE. AND ALONG WITH MR. REID WEINGARTEN, WHO IS AT THE END OF THIS TABLE, WE WILL BE PRESENTING THE EVIDENCE FOR THE GOVERNMENT IN THE CASE OF THE UNITED STATES VERSUS GEORGE VERNON HANSEN.

BASICALLY, AS THE JUDGE HAS ALREADY TOLD YOU, THIS CASE INVOLVES CHARGES OF HAVING MADE FALSE STATEMENTS TO AN AGENCY OF THE UNITED STATES. THAT AGENCY, THE EVIDENCE WILL SHOW, IS THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES CONGRESS. THESE STATEMENTS WERE MADE ON WHAT'S KNOWN AS A FINANCIAL DISCLOSURE STATEMENT, WHICH ARE FILED EACH YEAR BY MEMBERS OF CONGRESS, SUCH AS CONGRESSMAN HANSEN.

NOW, YOU'VE HEARD A LOT ABOUT THIS ALREADY, BUT I THINK IT'S IMPORTANT AND WE NEED TO GO THROUGH IT AGAIN, AND THAT IS EVIDENCE. THE PURPOSE OF THIS OPENING STATEMENT IS TO TELL YOU WHAT THE EVIDENCE IS GOING TO BE FOR THE GOVERNMENT. IT'S KIND OF IF YOU ENVISION A JIGSAW PUZZLE. THE WAY A TRIAL WORKS IS YOU ARE GOING TO HAVE WITNESSES COMING UP ON THE STAND, AND THEY ARE GOING TO GIVE YOU LITTLE PIECES OF EVIDENCE. AND ALL THIS MAY NOT BE IN ORDER, AND IT MAY NOT MAKE SENSE AT THE TIME IN RELATION TO OTHER PIECES OF EVIDENCE. THE PURPOSE OF THE OPENING IS TO GIVE YOU THE COVER OF THE BOX OF THE JIGSAW PUZZLE, SO THAT WHEN YOU'RE

HEARING THE EVIDENCE AND YOU'RE PUTTING IT TOGETHER IN YOUR MIND, YOU WILL KNOW WHAT IT IS GOING TO LOOK LIKE WHEN IT'S ALL PUT TOGETHER.

NOW, WHAT IS EVIDENCE? IT'S BEST BY STARTING OUT BY TELLING YOU WHAT IS NOT EVIDENCE. WHAT IS NOT EVIDENCE IS WHAT I'M SAYING TO YOU RIGHT NOW. WHAT IS NOT EVIDENCE IS WHAT ANY OF THE LAWYERS SAY TO YOU, UNLESS THEY ARE READING WHAT'S KNOWN AS A STIPULATION; BUT WE'LL GET TO THAT LATER. WHAT IS NOT EVIDENCE IS SOMETHING THAT A WITNESS SAYS THAT THE JUDGE INSTRUCTS YOU TO DISREGARD. THAT'S NOT EVIDENCE. AND YOU ARE ONLY TO MAKE YOUR DECISIONS BASED ON WHAT IS EVIDENCE. SO, WHAT IS EVIDENCE?

EVIDENCE IS BASICALLY TWO THINGS: IT'S TESTIMONY YOU ARE GOING TO HEAR FROM THAT GREEN CHAIR OVER THERE, FROM LIVE PEOPLE, WITNESSES, AND IT'S DOCUMENTS WHICH WILL BE ADMITTED INTO EVIDENCE. AND YOU WILL KNOW WHEN IT'S ADMITTED INTO EVIDENCE, BECAUSE THERE WILL BE A MOTION MADE TO THE JUDGE AND SHE WILL RULE THAT IT EITHER IS OR IS NOT IN EVIDENCE. IF SHE SAYS IT IS, IT'S EVIDENCE, AND THAT IS MATERIAL ON WHICH YOU CAN BASE YOUR DECISION.

NOW, YOU COME HERE WITH A VERY IMPORTANT TOOL IN LOOKING AT THIS EVIDENCE -- ALL OF YOU BROUGHT WITH YOU TODAY. IT'S A VALUABLE TOOL. IT'S CALLED YOUR COMMON SENSE. AND I URGE YOU TO USE THAT WHEN YOU LOOK AT EVIDENCE. YOU ARE ALLOWED TO DRAW WHAT'S KNOWN AS INFERENCES FROM EVIDENCE.

YOU CAN LOOK AT WHAT THE EVIDENCE IS AND DRAW LOGICAL CONCLUSIONS THAT COME FROM THAT EVIDENCE. YOU ARE PERMITTED TO DO THAT, AND THAT IS ALLOWED.

YOU ARE ALSO GOING TO BE THE JUDGES OF THE CREDIBILITY OF THE EVIDENCE, THE TRUTHFULNESS OF THE EVIDENCE. NOW, THE WAY YOU DO THAT IS BY LOOKING AT, FOR EXAMPLE, THE WITNESSES. YOU GET TO JUDGE THE WITNESS. YOU CAN BELIEVE EVERYTHING THE WITNESS SAYS; YOU CAN BELIEVE NOTHING THE WITNESS SAYS; YOU CAN BELIEVE SOME OF IT AND NOT BELIEVE OTHER PARTS. HOW DO YOU DO THIS? SEVERAL WAYS. AGAIN, USE YOUR COMMON SENSE. AND ALSO, LOOK AT THE WITNESS. DOES THIS PERSON HAVE ANY RELATIONSHIP TO THE CASE, ANY STAKE IN THE CASE? ARE THEY FRIENDS WITH THE DEFENDANT? DO THEY KNOW THE DEFENDANT? IF SO, ARE THEY FRIENDS; ARE THEY NOT FRIENDS? YOU CAN USE THAT. DO THEY HAVE ANY STAKE IN WHAT'S GOING ON HERE IN THIS COURTROOM? WERE THEY INVOLVED IN ANY OF THE TRANSACTIONS THAT ARE GOING TO BE TALKED ABOUT IN THE COURSE OF THIS TRIAL? AND IF THEY WERE INVOLVED, WHAT WAS THAT INVOLVEMENT? YOU CAN USE THAT.

YOU CAN ALSO JUDGE HOW THEY LOOK AND HOW THEY SOUND FROM THE WITNESS STAND. DO THEY STRIKE YOU AS A TRUTHFUL PERSON. DOES THEIR TESTIMONY STRIKE YOU AS BEING CREDIBLE. YOU, THE JURY, ARE TO MAKE THOSE JUDGMENTS. THAT'S PART OF YOUR FUNCTION.

WHAT IS THIS CASE ABOUT? WELL, IT ALL STARTS WITH

SOMETHING CALLED THE ETHICS IN GOVERNMENT ACT. IT WAS A LAW THAT WAS PASSED IN 1978, AND IT PROVIDES A NUMBER OF THINGS. THE PURPOSE FOR THESE THINGS IS TO INSURE THAT THERE IS ETHICAL CONDUCT BY GOVERNMENT OFFICIALS. THAT'S THE PURPOSE OF THE ACT.

THE PROVISION THAT WE ARE GOING TO DEAL WITH IN THIS TRIAL IN THIS ACT IS THE FINANCIAL DISCLOSURE PROVISIONS, AS YOU ALREADY KNOW. THE PURPOSE OF THE FINANCIAL DISCLOSURE IS TO INFORM THE PUBLIC ABOUT THE FINANCIAL INTERESTS OF GOVERNMENT OFFICIALS, IN ORDER TO INCREASE THE PUBLIC'S CONFIDENCE IN THE INTEGRITY OF GOVERNMENT AND TO DETER POTENTIAL CONFLICTS OF INTEREST. THAT'S THE REASON, THE EVIDENCE WILL SHOW, THAT THERE IS A FINANCIAL DISCLOSURE REQUIREMENT UNDER THIS LAW EVERY YEAR.

THE EVIDENCE IS GOING TO SHOW YOU THAT A NUMBER OF PEOPLE HAVE TO FILE FINANCIAL DISCLOSURE FORMS EVERY YEAR. AND FOR OUR PURPOSES, ONE OF THOSE PEOPLE ARE UNITED STATES CONGRESSMEN. THE EVIDENCE WILL SHOW YOU THAT THE DEFENDANT, GEORGE HANSEN, IS A UNITED STATES CONGRESSMAN, FROM THE STATE OF IDAHO, AND DURING THE TIMES THAT ARE COVERED BY THE INDICTMENT, HE WAS A UNITED STATES CONGRESSMAN AND UNDER THE REQUIREMENTS OF THIS ACT.

NOW, THE ACT SAYS THAT MEMBERS OF CONGRESS, AMONG OTHERS, HAVE TO REPORT CERTAIN FINANCIAL INTERESTS AND TRANSACTIONS THAT THEY ENGAGE IN EACH YEAR. AND NOT ONLY THAT, BUT THEY HAVE TO REPORT THE FINANCIAL INTERESTS AND TRANSACTIONS OF THE DEPENDENT CHILDREN WHO LIVE AT HOME WITH THEM, AND OF THEIR SPOUSES.

WHAT KINDS OF TRANSACTIONS, WHAT KIND OF FINANCES ARE SUPPOSED TO BE REPORTED? LET ME GIVE YOU A BRIEF SUMMARY. THE EVIDENCE WILL SHOW THAT THEY HAVE TO REPORT THINGS SUCH AS INCOME, HOW MUCH MONEY THEY TAKE IN THAT THEY EARN EACH YEAR OTHER THAN THEIR GOVERNMENT SALARY. THEY HAVE TO REPORT GIFTS THAT THEY GET, OTHER THAN GIFTS FROM A RELATIVE OR DINNER AT SOMEONE'S HOUSE, BUT A MORE SUBSTANTIAL GIFT.

THEY HAVE TO REPORT THINGS LIKE REIMBURSEMENTS. IF SOMEBODY PAYS THEM BACK FOR HAVING TRAVELED SOMEWHERE AND IT'S A PRIVATE SOURCE THAT PAYS THEM BACK, THEY HAVE TO REPORT IT.

THEY HAVE TO REPORT HOLDINGS. NOW, WHAT THIS MEANS IS STOCKS AND BONDS AND INVESTMENTS AND BUSINESSES THAT THEY OWN THAT PRODUCE INCOME FOR THEM, THAT PRODUCE MONEY.

THEY HAVE TO REPORT LIABILITIES -- AND THIS IS GOING TO PLAY A BIG ROLE IN THIS CASE -- MEANING THEIR DEBTS. ANY DEBT WHICH DURING THE PREVIOUS YEAR, THE YEAR THAT THEY ARE REPORTING ON -- ANY DEBT THAT AMOUNTED TO OVER $10,000 AT ANY TIME DURING THAT YEAR HAS TO BE REPORTED ON THESE FORMS.

"TRANSACTIONS" IS ANOTHER HEADING. THIS IS ALSO GOING TO BE IMPORTANT. THESE ARE THINGS LIKE BUYING AND SELLING STOCK, BUYING AND SELLING BONDS, BUYING AND SELLING

COMMODITIES FUTURES. COMMODITIES FUTURES ARE GOING TO PLAY A ROLE IN THIS TRIAL, AND THE EVIDENCE WILL SHOW YOU HOW THEY DO PLAY A ROLE IN THIS TRIAL. AND I WILL EXPLAIN THAT IN A MINUTE.

THEY ALSO NEED TO SHOW AND REPORT POSITIONS THEY HOLD IN ORGANIZATIONS, IF THEY ARE AN EMPLOYEE, A PARTNER, A DIRECTOR, AN OFFICER, SOMETHING LIKE THAT. AND THEY NEED TO SHOW AGREEMENTS AND DISCLOSE THOSE ON THESE FORMS. AGREEMENTS MEAN IF THEY HAVE PAYMENTS STILL COMING TO THEM FROM THEIR FORMER EMPLOYER WHILE THEY ARE SERVING IN GOVERNMENT, THEY HAVE TO REPORT THIS PUBLICLY. IF THEY HAVE AN AGREEMENT TO GO TO WORK FOR SOMEBODY WHEN THEY FINISH WITH THEIR GOVERNMENT SERVICE, THEY HAVE TO REPORT THAT PUBLICLY, AS WELL.

NOW, I HAD MENTIONED TO YOU THAT THERE IS A REQUIREMENT THAT THEY REPORT ALL THESE TRANSACTIONS, ALL THESE CATEGORIES FOR THEIR SPOUSE, THEIR HUSBAND OR WIFE, WHOEVER IT MAY BE. NOW, THE EVIDENCE IS GOING TO SHOW IN THE COURSE OF THIS TRIAL THAT THERE IS A VERY LIMITED TIME WHEN THEY DON'T HAVE TO REPORT THESE TRANSACTIONS FOR A SPOUSE, AND IT'S WHEN THREE EXEMPTIONS ARE MET, AND ALL THREE IF YOU JUST MEET ONE OF THE EXEMPTIONS, THE EVIDENCE WILL SHOW, YOU HAVE TO REPORT IT. YOU HAVE TO MEET ALL THREE IN ORDER TO NOT REPORT THESE EXEMPTIONS -- OR THESE TRANSACTIONS. WE WILL TELL YOU WHAT THOSE ARE.

THE FIRST ONE IS KNOWN AS THE KNOWLEDGE TEST.

BASICALLY, THE KNOWLEDGE TEST MEANS THAT THE ITEM, THE TRANSACTION OR THE INVESTMENT, WAS THE SOLE FINANCIAL INTEREST OR RESPONSIBILITY OF THAT SPOUSE, AND THAT THE PERSON WHO IS REPORTING HAD NO KNOWLEDGE OF THE ITEM. THAT'S THE FIRST ONE.

THEN THEY ALSO HAVE TO SATISFY WHAT IS KNOWN AS THE INDEPENDENCE TEST. THIS MEANS THAT THE THING THAT WAS TO BE REPORTED WAS NOT IN ANY WAY, PAST OR PRESENT, DERIVED FROM THE INCOME, ASSETS, OR ACTIVITIES OF THE PERSON WHO IS FILING THE REPORT. THEY HAVE TO MEET THAT TEST, TOO.

AND THEY HAVE TO MEET A THIRD TEST KNOWN AS THE BENEFIT TEST. BASICALLY, WHAT THAT MEANS IS IF THEY ARE GOING TO GET ANY BENEFIT WHATSOEVER FROM THIS TRANSACTION, THEY'VE GOT TO REPORT IT.

THE EVIDENCE WILL SHOW IN THIS CASE, LADIES AND GENTLEMEN, THAT ON CERTAIN ITEMS IN QUESTION, THE CONGRESSMAN BOTH KNEW OF THE ITEM, WAS ACTIVE IN SECURING THE ITEM, AND BENEFITED FROM THE ITEMS THAT WERE NOT REPORTED.

WHAT HAPPENS WITH THESE REPORTS? WELL, THEY'RE FILED. THE EVIDENCE IS GOING TO SHOW YOU THAT THEY ARE FILED IN A PUBLIC PLACE WHERE ANYONE IN THE PUBLIC CAN GET AT THEM, ANYONE CAN LOOK AT THEM, INCLUDING FELLOW CONGRESSMEN, OTHER MEMBERS OF CONGRESS, AND THE PUBLIC.

NOW, THIS CASE INVOLVES FOUR SUCH FINANCIAL DISCLOSURE STATEMENTS. AS I TOLD YOU, THE ACT WAS PASSED IN

1978, AND THE FIRST FORM WAS REQUIRED TO BE FILED COVERING THE YEAR 1978. CONGRESSMAN HANSEN FILED A FORM COVERING THE YEAR 1978, AND THAT FORM DID NOT INCLUDE -- IT EXCLUDED CERTAIN LOANS THAT HE HAD FROM A BANK IN DALLAS, LOANS THAT WERE MADE TO HIS WIFE, THAT WERE GUARANTEED BY NELSON BUNKER HUNT. YOU WILL HEAR MR. HUNT'S NAME AGAIN. HE'S A WEALTHY OILMAN OUT OF DALLAS, TEXAS.

NEXT YEAR, 1979, CONGRESSMAN HANSEN FILES ANOTHER REPORT. THIS TIME, CONGRESSMAN HANSEN EXCLUDES FROM THAT REPORT A COMMODITIES TRANSACTION THAT HE ENTERED INTO WITH THE AID -- OR HIS WIFE ENTERED INTO WITH THE AID OF NELSON BUNKER HUNT THAT IN TWO DAYS NETTED THEM $87,475.

1980'S REPORT WAS FILED BY THE CONGRESSMAN, AND THAT ONE EXCLUDED A LOAN FROM NELSON BUNKER HUNT TO THE CONGRESSMAN'S WIFE OF $61,000 -- ABOVE $61,000.

AND FINALLY, 1981 HE FILES A REPORT, AND THIS REPORT EXCLUDES $135,000 IN LOANS, UNSECURED PERSONAL LOANS MADE TO THE CONGRESSMAN BY THREE MEN IN SOUTHERN VIRGINIA.

NOW, YOU'RE GOING TO HEAR A LOT OF EVIDENCE IN THIS CASE, AND IT'S GOING TO TELL YOU A STORY. THE EVIDENCE IS GOING TO SHOW THAT STARTING IN LATE 1966, EARLY -- LATE 1976 OR EARLY 1977, THE CONGRESSMAN MET NELSON BUNKER HUNT, AND DURING THIS TIME HE ASKED HUNT FOR MONEY. HUNT SAID, "I'M NOT GOING TO GIVE YOU A DIRECT DONATION. I'M NOT GOING TO GIVE YOU A GIFT OF MONEY RIGHT HERE, BUT I'LL KEEP MY EYE OPEN

FOR AN INVESTMENT, AND IF I SEE SOMETHING GOOD, I'LL LET YOU KNOW." HUNT THEN WENT ON TO SAY, "I'M NOT SURE THAT IT MIGHT NOT GET YOU AND ME BOTH IN TROUBLE, YOU BEING A CONGRESSMAN, IF I GIVE YOU MONEY." CONGRESSMAN HANSEN'S RESPONSE TO THAT WAS, "DON'T WORRY ABOUT IT; MY WIFE AND I DIVIDED OUR PROPERTY. GIVE IT TO HER."

SO WHAT HAPPENS OUT OF THIS? WELL, A SOYBEAN COMMODITIES DEAL. NOW, YOU ARE GOING TO HAVE AN EXPERT WITNESS UP HERE, A MR. OWEN NICHOLS. HE WAS AT ONE TIME THE CHAIRMAN OF THE CHICAGO BOARD OF EXCHANGE. IT'S A BIG COMMODITIES EXCHANGE IN CHICAGO. HE IS GOING TO EXPLAIN THE COMMODITIES MARKET TO YOU. BUT FOR THE PURPOSES OF RIGHT NOW, YOU NEED TO UNDERSTAND, THE EVIDENCE WILL SHOW YOU, THE COMMODITIES MARKET IS A VERY RISKY TYPE OF INVESTMENT MARKET. PRICES GO UP AND DOWN WILDLY ALL DAY LONG. PEOPLE GAIN OR LOSE THOUSANDS OF DOLLARS IN A MATTER OF MINUTES. THIS IS THE INVESTMENT THAT MR. HUNT INTRODUCED THE HANSENS TO.

HOW DID HE DO IT? THE EVIDENCE WILL SHOW THAT ON APRIL 20TH, 1977, MR. HUNT CALLED HIS SOYBEAN BROKER, OWEN NICHOLS. MR. NICHOLS WAS IN CHICAGO AT THE TIME. AND HE TOLD MR. NICHOLS TO BUY 50 CONTRACTS OF SOYBEAN FUTURES. NOW, THIS IS A WAY YOU MAKE AN INVESTMENT, BY BUYING WHAT'S CALLED FUTURES. IT WILL BE EXPLAINED TO YOU.

NOW, 50 CONTRACTS, THAT'S THE EQUIVALENT OF 250,000 BUSHELS OF SOYBEANS. A BUSHEL IS ABOUT THIS BIG. 250,000 OF

THEM. HUNT TOLD NICHOLS TO BUY THESE CONTRACTS. THE VALUE OF THESE CONTRACTS AT THE TIME THEY WERE BOUGHT ON APRIL 20TH WAS $2,489,700. NOW, THE EVIDENCE WILL SHOW YOU THIS IS A SIGNIFICANT NUMBER, BECAUSE IF THESE CONTRACTS ARE NOT SOLD, SOMEBODY IS GOING TO COME TO YOUR HOUSE WITH 250,000 BUSHELS OF SOYBEANS AND ASK YOU FOR $2,489,700, AND YOU'RE GOING TO HAVE TO GIVE TO HIM.

NOW, THESE CONTRACTS WERE BOUGHT FOR NELSON BUNKER HUNT. A LITTLE LATER THAT DAY, MR. HUNT CALLS MR. NICHOLS BACK. HE SAYS, "MR. NICHOLS, YOU KNOW THOSE CONTRACTS I BOUGHT TODAY? I WANT YOU TO SELL THEM. THE MARKET IS UP; I WANT YOU TO SELL THEM, AND I WANT YOU TO PUT THEM INTO AN ACCOUNT YOU ARE GOING TO OPEN FOR CONNIE HANSEN." AND THAT WAS DONE. THE ACCOUNT NUMBERS WERE CHANGED ON THE DOCUMENTS USED TO BUY THESE CONTRACTS. THE CONTRACTS WERE SOLD, AND IT RESULTED IN A PROFIT OF $51,775 IN ONE DAY.

THE EVIDENCE IS ALSO GOING TO SHOW YOU THAT MRS. HANSEN AT THIS POINT HAD NEVER BEEN CONTACTED NOR HAD BEEN IN CONTACT WITH MR. NICHOLS, WHO IS THE SOYBEAN BROKER. THEY HAD NEVER TALKED AT THIS POINT. AFTER THESE CONTRACTS WERE SOLD, MR. NICHOLS CALLS HER AND HE GETS SOME BASIC INFORMATION: HER NAME, HER ADDRESS, WHERE SHE LIVES. INFORMATION HE NEEDS TO OPEN THE ACCOUNT. AND THAT IS THE LAST CONTACT HE EVER HAD WITH HER, AND THAT IS THE SUM TOTAL OF THE INFORMATION HE GOT FROM HER. THIS WOMAN IS NOW $51,000 RICHER.

TWO DAYS LATER, ON APRIL 22ND, THERE'S ANOTHER SOYBEAN DEAL THAT GOES ON. AGAIN HUNT CALLS MR. NICHOLS, SAYS, "I WANT YOU TO BUY 20 CONTRACTS OF SOYBEANS." THIS IS 100,000 BUSHELS. THE VALUE OF THIS CONTRACT, $1,046,000. THE CONTRACTS ARE SOLD THE SAME DAY FOR THE SAME PRICE. IT'S A WASH. THERE IS A SMALL COMMISSION TAKEN OFF. NO CONTACT WITH CONNIE HANSEN DURING THIS DAY. CONNIE HANSEN IS THE WIFE OF THE CONGRESSMAN.

THREE DAYS LATER, ON THE 25TH OF APRIL, THERE'S ANOTHER SOYBEAN DEAL. HUNT AGAIN CALLS. HE TELLS NICHOLS TO BUY 40 CONTRACTS OF SOYBEANS. THIS IS 200,000 BUSHELS OF SOYBEANS, WHICH COST $2,050,000. THEY'RE BOUGHT ON THAT DAY, BUT THEY'RE NOT SOLD UNTIL APRIL 29TH. THE MARKET WENT DOWN; THERE WAS A LOSS. THE LOSS AMOUNTED TO OVER $85,000.

NOW, THE END RESULT OF ALL THESE TRANSACTIONS, ALL THESE TRANSACTIONS WHICH WERE ONLY DIRECTED BY HUNT, WITH NO CONTACT OR INPUT FROM CONNIE HANSEN OR ANYONE BUT HUNT, THEY DID RESULT IN A $33,000 LOSS TO CONNIE HANSEN. NOW, SHE HAS TO PAY THIS LOSS; IT'S A REQUIREMENT. SO WHAT DOES SHE DO? THE EVIDENCE WILL SHOW SHE GOES TO DALLAS AND CONTACTS MR. HUNT. AND MR. HUNT HAS HER TAKEN DOWN TO HIS BANK IN DALLAS, TEXAS, WHERE HE GUARANTEES FOR HER -- AND A GUARANTEE BASICALLY IS HE'S SAYING, "IF SHE WON'T PAY THE LOAN OFF, I WILL." AND HE GUARANTEES A $50,000 LOAN FOR THIS WOMAN.

NOW, HER LOSS WAS ONLY $33,000. SHE GETS A $50,000

LOAN FROM HUNT. THAT CHECK IS PUT INTO A JOINT ACCOUNT FOR THE HANSENS. IT IS ENDORSED BY BOTH CONNIE HANSEN AND GEORGE HANSEN. AND THE MONEY THEREAFTER THAT IS LEFT OVER, $16,000 AFTER THEY PAY OFF THE SOYBEAN LOSS, IS USED BY BOTH CONNIE AND GEORGE HANSEN.

NOW, THAT LOAN, THAT DALLAS LOAN EXISTED IN 1978. AND IT WAS NEVER REPORTED ON THE CONGRESSMAN'S FINANCIAL DISCLOSURE FORMS.

NOW, THE CONGRESSMAN HAD A LOT OF DEALINGS WITH THIS LOAN. WHENEVER THERE WERE LATE PAYMENTS, WHENEVER NOTICES WENT OUT, WHENEVER THERE WAS CONTACT FROM THE BANK, THE PERSON WHO CALLED THE BANK TO DEAL WITH THE BANK ON THE LOAN WAS CONGRESSMAN HANSEN. THE ONLY DEALING MRS. HANSEN EVER HAD WITH THIS LOAN WAS THE DAY SHE SIGNED THE NOTE AND GOT THE $50,000. OTHERWISE, IT WAS CONGRESSMAN HANSEN.

NOW, EVENTUALLY THIS LOAN WAS NOT PAID OFF. THE PAYMENTS BECAME VERY LATE AND EVENTUALLY WEREN'T MADE. AND THE EVIDENCE WILL SHOW YOU THAT IN JUNE OF 1980, NELSON BUNKER HUNT WAS FINALLY REQUIRED TO MAKE GOOD ON HIS GUARANTEE. HE PAID OFF THE LOAN. AT THIS POINT, WITH ALL THE INTEREST THAT HAD ACCUMULATED OVER THE YEAR, IT WAS WORTH $61,500 AND SOME CHANGE. AND THIS IS NOW A LOAN FROM HUNT TO CONNIE HANSEN. THIS EXISTED IN 1980. AND THE EVIDENCE WILL SHOW, LADIES AND GENTLEMEN, THAT THAT LOAN WAS NOT REPORTED BY CONGRESSMAN HANSEN ON HIS FINANCIAL DISCLOSURE FORM, A LOAN DIRECTLY FROM

BUNKER HUNT.

NOW, THIS LOAN FROM THE DALLAS BANK, THAT'S COUNT 2 OF THE INDICTMENT. EXCUSE ME. THAT'S COUNT -- I BELIEVE IT IS COUNT 2. THE LOAN FROM NELSON BUNKER HUNT IS COUNT 4.

NOW, THIS ISN'T THE ONLY TIME THAT THE HANSENS WERE HELPED BY MR. HUNT. LET'S GO TO 1979. AT THIS POINT, MR. HUNT CALLS UP HIS SILVER BROKER, SILVER COMMODITIES FUTURES, NOW. AND MR. HUNT TELLS HIS BROKER, "I WANT YOU TO BUY ME 125 SILVER CONTRACTS." NOW, IN EACH SILVER CONTRACT THERE'S 5,000 OUNCES OF SILVER. AGAIN, THIS WILL BE EXPLAINED TO YOU. THE VALUE OF THIS CONTRACT IS JUST UNDER $4 MILLION. IT WAS BOUGHT ON THE 16TH OF JANUARY, 1979, IN THE ACCOUNT OF THE HUNTS. THE MARKET WENT UP THAT DAY, AND BY THE END OF THE DAY THERE WERE INSTRUCTIONS TO CHANGE THE ACCOUNT DOCUMENTS AGAIN, SCRATCH OUT THE NUMBER FOR THE HUNT ACCOUNT AND PUT IN A NUMBER FOR AN ACCOUNT OPENED THAT DAY, LATE THAT DAY, FOR CONNIE HANSEN. AT THAT POINT THE MARKET WAS UP AND THESE CONTRACTS WERE PROFITABLE, SO PROFITABLE THAT TWO DAYS LATER THEY WERE SOLD FOR $87,475 MORE THAN THEY WERE WORTH WHEN THEY BOUGHT THEM.

NOW, ONE OF THE REQUIREMENTS IN THE COMMODITIES MARKET IS THAT YOU HAVE TO PUT A DEPOSIT DOWN IN ORDER TO TRADE IN THE MARKET. AND THE RULE IS SUCH THAT IF YOU DON'T PUT THAT DEPOSIT DOWN, THEY ARE NOT GOING TO GIVE YOU THE MONEY YOU'VE MADE, UNTIL YOU GIVE THEM A DEPOSIT. AT THE

TIME OF THIS SILVER DEAL, THE REQUIREMENT WAS THAT THEY MAKE A DEPOSIT OF $1,000 A CONTRACT, $125,000. THE EVIDENCE IS GOING TO SHOW HOW THAT $125,000 WAS PUT UP BY THE HANSENS. GEORGE HANSEN CALLS A GENTLEMAN BY THE NAME OF LEE CALDWELL, LIVES IN IDAHO. MR. CALDWELL KNOWS THE HANSENS, DOES WORK FOR THEM. MR. HANSEN TELLS CALDWELL TO GO TO A BANK WHERE THERE IS AN ACCOUNT JUST FOR CONNIE HANSEN. IT'S CALLED THE CONNIE HANSEN SPECIAL ACCOUNT. THIS ACCOUNT, THE EVIDENCE WILL SHOW, HAD $300 IN IT. CONGRESSMAN HANSEN INSTRUCTED MR. CALDWELL TO WRITE A CHECK FOR $125,000 ON THIS ACCOUNT, TAKE IT TO ANOTHER BANK IN TOWN IN IDAHO, AND HAVE IT USED TO WIRE THE MONEY TO CHICAGO FOR THE BROKERAGE FIRM AS A DEPOSIT ON THIS SILVER DEAL THAT THEY HAD JUST GONE INTO. THE MONEY GETS WIRED TO CHICAGO. THE NEXT DAY, ALL THE MONEY, THE $125,000 PLUS THE HUGE $87,000 PROFIT, COMES BACK TO THE IDAHO BANK THAT THE WIRE WENT FROM, AND IT COMES BACK INTO A JOINT ACCOUNT OF GEORGE AND CONNIE HANSEN, AN ACCOUNT THAT THEY BOTH WRITE CHECKS ON -- AND CONGRESSMAN HANSEN WRITES A LOT OF CHECKS ON IT. YOU WILL SEE.

THE CONGRESSMAN ALSO TELLS MR. CALDWELL NOW TO TAKE $125,000 OUT OF THIS JOINT ACCOUNT AND PUT IT BACK IN THE ACCOUNT THAT HAD $300 IN IT SO THAT THE CHECK WON'T BOUNCE, SO IT WILL BE COVERED.

THE SILVER DEAL, LADIES AND GENTLEMEN, IS COUNT 3 OF THE INDICTMENT.

NOW LET'S GO TO COUNT 1. LET'S MOVE TO 1981. IN 1981, CONGRESSMAN HANSEN WAS TALKING TO A GENTLEMAN BY THE NAME OF CARL MCAFEE. MR. MCAFEE LIVES IN SOUTHERN VIRGINIA. HE'S A LAWYER. MR. MCAFEE HAD A COUPLE OF FRIENDS BY THE NAME OF JOHN MEADE AND ODELL ROGERS. ALL OF THEM LIVED IN SOUTHERN VIRGINIA TOGETHER. NOW, THESE GENTLEMEN WERE INTERESTED IN INVESTING IN SOMETHING CALLED A HYDROGEN CAR. IT WAS INVENTED BY A MAN IN AUSTRALIA, AND IT RAN ON WATER, THEY SAID. YOU PUT WATER IN THE TANK, AND THERE'S A SMALL NUCLEAR REACTOR, THEY SAID, THAT WILL TAKE HYDROGEN OUT OF THE WATER AND THE CAR WILL RUN ON IT. NOW, WHAT MR. MCAFEE, MEADE AND ROGERS WERE INTERESTED IN WAS HAVING THE UNITED STATES ARMY SEND SCIENTISTS OVER TO AUSTRALIA WITH ARMY EQUIPMENT TO SEE IF THIS CAR REALLY WORKED, TO SEE IF THIS WAS REALLY THE CASE: THAT YOU COULD RUN A CAR ON WATER. SO MR. MCAFEE CALLS CONGRESSMAN HANSEN.

NOW, AT THE SAME TIME PERIOD THAT MR. MCAFEE IS CALLING CONGRESSMAN HANSEN FOR HELP IN GOING TO THE ARMY, CONGRESSMAN HANSEN ASKS MR. MCAFEE IF HE COULD BORROW SOME MONEY. THIS IS JULY OF 1981. AND THEY AGREE, AND CONGRESSMAN HANSEN IS LENT $25,000 BY MR. MCAFEE AND MR. ROGERS, WHOM THE CONGRESSMAN HAD NEVER MET AT THAT POINT. AND IT IS AN UNSECURED LOAN; NO COLLATERAL. NOTHING PUT UP BUT THE SIGNATURE OF MR. HANSEN.

NOW, THIS $25,000 CHECK, THE EVIDENCE WILL SHOW, WAS DEPOSITED ON THE 23RD OF JULY. YOU WILL SEE THIS IS AN IMPORTANT DATE. ALSO ON THE 23RD OF JULY, THE SAME DAY, CONGRESSMAN HANSEN TOOK MR. MEADE AND MR. MCAFEE TO THE PENTAGON AND INTRODUCED THEM TO THE SECRETARY OF THE ARMY AND SAID, "THESE GENTLEMEN HAVE A PROJECT I WOULD LIKE YOU TO CONSIDER." AND THIS PROJECT WAS THE HYROGEN CAR. THE SAME DAY.

THIS LOAN FROM MEADE -- FROM MCAFEE AND ROGERS WAS EVENTUALLY TURNED AROUND AND GIVEN TO A BANK WHICH WAS OWNED BY MR. MEADE, AND MCAFEE AND ROGERS GOT THEIR $25,000 BACK SEVERAL DAYS LATER FROM MR. MEADE'S BANK. MR. MEADE WAS AT THAT MEETING WITH THE SECRETARY OF THE ARMY.

LET'S MOVE IT DOWN A MONTH, TO AUGUST OF 1981. AUGUST 14TH OF 1981, MR. MEADE AND MR. MCAFEE ARE LEAVING ON AN AIRPLANE FOR AUSTRALIA. THE EVIDENCE WILL SHOW THAT THE PURPOSE OF THEIR TRIP TO AUSTRALIA WAS TO LOOK AT THE HYDROGEN CAR, TO NEGOTIATE BUYING THE RIGHTS TO SELL THIS HYDROGEN CAR IN AMERICA. AUGUST 14TH THEY LEFT. AUGUST 14TH, ANOTHER LOAN IS MADE TO CONGRESSMAN HANSEN BY MR. MCAFEE. THIS LOAN IS FOR $60,000. NO COLLATERAL; ONLY THE CONGRESSMAN'S SIGNATURE ON IT.

WHEN MR. MEADE AND MR. MCAFEE RETURN FROM AUSTRALIA A COUPLE OF WEEKS LATER, AGAIN THE SAME THING HAPPENS: MR. MEADE'S BANK GIVES MR. MCAFEE BACK THE $60,000 HE LOANED TO THE CONGRESSMAN, TAKING CONGRESSMAN HANSEN'S NOTE AS THE

COLLATERAL ON THAT.

WE'RE NOW UP TO $85,000. LET'S GO TO NOVEMBER OF 1981.

21ST OF NOVEMBER IS A SATURDAY. CONGRESSMAN HANSEN GOES DOWN TO SEE JOHN MEADE, DOWN AT MEADE'S HOME IN VIRGINIA. AND AT THIS POINT, HE BORROWS ANOTHER $50,000. NO COLLATERAL. JUST HIS SIGNATURE. MR. MEADE GIVES IT TO HIM IN A CASHIER'S CHECK; CONGRESSMAN HANSEN GOES BACK TO WASHINGTON, D. C.

WHAT DO WE HAVE HERE? WE HAVE HERE $135,000 WORTH OF LOANS MADE, THE EVIDENCE WILL SHOW YOU, IN 1981, ALL MADE WITH NOTES SIGNED BY CONGRESSMAN HANSEN, ALL MADE TO CONGRESSMAN HANSEN PERSONALLY. COUNT 1, LADIES AND GENTLEMEN, CONCERNS THESE LOANS. AND IN COUNT 1, WE HAVE CHARGED THE CONGRESSMAN WITH FILING A FINANCIAL DISCLOSURE FORM FOR THAT YEAR 1981 THAT MAKES NO MENTION WHATSOEVER OF ANY OF THESE LOANS.

NOW, I'D MENTIONED TO YOU BEFORE: YOU CAN JUDGE THE WITNESSES IN THIS CASE. THE EVIDENCE IS GOING TO SHOW YOU THAT VARIOUS WITNESSES IN THIS CASE THAT THE GOVERNMENT CALLS ARE WITNESSES WHO ARE FRIENDS WITH THE CONGRESSMAN, WHO HAVE ENGAGED IN THESE TRANSACTIONS WITH THE CONGRESSMAN, AND WHO MAY HAVE A STAKE IN SOME OF THE PROCEEDINGS IN THIS TRIAL. I URGE YOU TO KEEP YOUR EYES AND EARS OPEN FOR THEM.

NOW, AS THE JUDGE HAS ALREADY TOLD YOU, ANOTHER ELEMENT THAT THE GOVERNMENT HAS TO PROVE IN THIS CASE IS INTENT: WHAT WERE THE REASONS CONGRESSMAN HANSEN HAD FOR NOT

FILING THESE, AND DID HE INTEND TO NOT FILE THEM; DID HE INTEND TO HAVE THIS REPORT, THESE FINANCIAL DISCLOSURE FORMS BE FALSE? THE EVIDENCE WILL SHOW THAT HE DID. AND IT WILL SHOW THAT THE REASON HE DID IS THAT THESE ARE FILED PUBLICLY. THEY ARE FILED WHERE ANYONE CAN SEE THEM, WHERE OTHER CONGRESSMEN CAN SEE THEM, WHERE THE PUBLIC CAN SEE THEM, AND ANYONE CAN GET AHOLD OF THEM. IT WILL SHOW THAT HE DIDN'T WANT ANYONE TO SEE THE TRANSACTIONS I HAVE JUST DESCRIBED. THE EVIDENCE WILL SHOW THAT HE HID THEM FROM PUBLIC VIEW.

LADIES AND GENTLEMEN, IN THIS CASE THE EVIDENCE IS GOING TO SHOW THAT CONGRESSMAN HANSEN FILED FOUR FALSE FINANCIAL DISCLOSURE STATEMENTS; THAT HE KNEW THEY WERE FALSE WHEN HE FILED THEM; THAT HE INTENDED THEM TO BE FALSE WHEN HE FILED THEM. THE EVIDENCE IN THIS CASE, LADIES AND GENTLEMEN, IS GOING TO SHOW THAT THE ONLY VERDICT ON THESE CHARGES CONSISTENT WITH THAT EVIDENCE IS THAT OF GUILTY.

THANK YOU.

THE COURT: MR. LEWIN.

YOU, TOO, CAN POSITION THE LECTERN ANY WAY YOU CHOOSE THAT IS MOST COMFORTABLE FOR YOU.

MR. LEWIN: THANK YOU, YOUR HONOR.

GOOD MORNING, LADIES AND GENTLEMEN OF THE JURY. I, TOO, WOULD LIKE TO TAKE THIS OPPORTUNITY TO INTRODUCE MYSELF AND THE PEOPLE AT DEFENSE TABLE AGAIN TO YOU. MY NAME IS NATHAN LEWIN. I HAVE A PRINCIPAL RESPONSIBILITY AND HONOR

OF REPRESENTING CONGRESSMAN HANSEN IN THIS CASE AND RESPONDING TO THE CHARGES. AND IN THAT REGARD, THIS IS ONE OF THE TWO OPPORTUNITIES THAT I WILL HAVE DURING THE TRIAL TO SPEAK TO YOU DIRECTLY.

WORKING WITH ME IN THE CASE AND ASSISTING ME ARE TWO OTHER COUNSEL: MR. FRANK CAMPBELL, MR. STEVE BRAGA. AND THEY WILL BE ASSISTING ME AND ALSO DEALING WITH SOME OF THE WITNESSES IN THE CASE, BUT THEY WILL NOT HAVE AN OPPORTUNITY TO ADDRESS YOU DIRECTLY -- POSSIBLY BECAUSE I'M JUST EXERCISING THE RIGHT OF SENIORITY AND TAKING BOTH THE OPENING AND CLOSING STATEMENTS THAT I WILL BE ARGUING TO YOU.

AS I SAID, THIS IS ONLY ONE OF TWO OPPORTUNITIES THAT I CAN SPEAK TO YOU AND IT IS, REALLY, IN CERTAIN WAYS, A LIMITED OPPORTUNITY. THIS IS NOT A TIME FOR ARGUMENT, FOR TRYING TO ARGUE TO YOU WHAT YOU SHOULD CONCLUDE AS A RESULT OF THE EVIDENCE. YOU HAVEN'T EVEN HEARD OR SEEN ANY EVIDENCE AT ALL. AS MR. COLE SAID, WHAT WE SAY TO YOU ISN'T EVIDENCE. ALL THAT WE ARE ABLE TO DO AT THE PRESENT TIME, REALLY, IS GIVE YOU AN ADVANCE VIEW OF WHAT THE EVIDENCE WILL BE SO THAT WHEN YOU HEAR IT, YOU CAN FIT IT INTO THE TOTAL PICTURE.

NOW, MR. COLE HAS USED AN INTERESTING ANALOGY WITH YOU, REALLY. IT IS ONE I WOULD NOT HAVE THOUGHT OF MYSELF, WHICH IS THE ANALOGY OF A JIGSAW PUZZLE. I HAVE ALWAYS THOUGHT OF AN OPENING STATEMENT AS SORT OF BEING A PREVIEW OF COMING ATTRACTIONS IN THE MOVIE. BUT IT SHOULD GIVE YOU

A FAIR VIEW OF WHAT WILL BE COMING UP.

HE SAYS IT'S THE COVER THE JIGSAW PUZZLE. AND I THINK THAT'S FAIR. IT IS THE COVER OF A JIGSAW PUZZLE. BUT THE THING, REALLY, THAT YOU OUGHT TO CONSIDER IS THAT WHAT HE HAS SHOWN YOU IN HIS OPENING STATEMENT OMITS HALF OR MORE THAN HALF OF THE PIECES. YOU CAN'T POSSIBLY PUT THAT JIGSAW PUZZLE TOGETHER IF HALF THE PIECES ARE GONE. AND I'M UP HERE NOW -- HER HONOR HAS EXPLAINED TO YOU THAT WE HAVE THE OPPORTUNITY OF EITHER PROVIDING NO OPENING STATEMENT AT ALL OR WAITING ON BEHALF OF THE DEFENSE UNTIL AFTER THE GOVERNMENT PRESENTS ITS CASE AND THEN PRESENTING OUR OPENING STATEMENT. BUT I AM UP HERE NOW BECAUSE I THINK IT'S IMPORTANT THAT YOU SEE THE ENTIRE COVER AND THAT YOU SEE ALL THE PIECES OF THE JIGSAW PUZZLE, AND NOT THE VERY FEW FRAGMENTS THAT MR. COLE IS TRYING TO SHOW YOU.

LET'S START WITH WHAT THE EVIDENCE WILL SHOW CHRONOLOGICALLY FROM THE BEGINNING.

MR. COLE PRESENTS JIGSAW PUZZLE PIECES THAT START IN APRIL OF 1977. APRIL 20TH OF 1977, A DATE THAT HE SAYS WAS A TIME WHEN MR. NELSON BUNKER HUNT, WHO IS A WEALTHY MAN, LIVES IN TEXAS, CALLED A COMMODITIES BROKER IN CHICAGO. WHAT ABOUT ALL THE PIECES OF THE PUZZLE THAT HAVE TO DO WITH THE SIDE BEFORE APRIL 20TH, 1977? WELL, LET ME TELL YOU WHAT THE EVIDENCE WILL SHOW.

THE EVIDENCE WILL SHOW THAT CONGRESSMAN HANSEN IS

NOT A MAN OF INHERITED WEALTH. CONGRESSMAN HANSEN IS A MAN WHO HAS DEDICATED HIS LIFE IN VARIOUS WAYS TO PUBLIC SERVICE, SERVED IN THE CONGRESS FOR TWO TERMS, THEN TRIED TO RUN FOR SENATOR FROM IDAHO, WAS NOT SUCCESSFUL; WENT BACK TO A BUSINESS IN POCATELLO, IDAHO; WAS REELECTED AGAIN TO CONGRESS IN 1974, AND SERVED THEREAFTER. BUT THE EVIDENCE WILL SHOW THAT HE, BEING A MAN OF LIMITED MEANS, WAS SUBJECTED AT THAT TIME, AFTER HE CAME BACK IN 1975, TO VARIOUS POLITICAL ATTACKS WHICH RESULTED IN A SUBSTANTIAL DEBT, WHICH WAS NO SECRET -- EVERYBODY KNEW IT. AS OF 1976 AND 1977, CONGRESSMAN HANSEN, THE EVIDENCE WILL SHOW, WAS TELLING PEOPLE EVERYWHERE, IN A VERY OFFICIAL WAY, INDEED, THAT HE HAD AN ENORMOUS PERSONAL DEBT GROWING OUT OF POLITICAL ATTACKS AGAINST HIM, AND THAT HE AND HIS WIFE WERE TRYING TO FIND WAYS OF DEALING WITH THAT PERSONAL DEBT.

HE WENT IN A VERY -- THE EVIDENCE WILL SHOW, IN THE MOST FORMAL, OFFICIAL WAY TO THE FEDERAL ELECTION COMMISSION, WHICH IS AN AGENCY OF THE FEDERAL GOVERNMENT THAT WAS ESTABLISHED TO DEAL WITH HOW CONGRESSMEN RAISE MONEY FOR CAMPAIGN FUNDS. AND HE SAID TO THEM, "I HAVE THIS ENORMOUS DEBT. IT RANGES IN VERY LARGE FIGURES, FIGURES THREE, FOUR HUNDRED THOUSAND. I WOULD LIKE TO HAVE SOME WAY IN WHICH MONEY CAN BE RAISED SIMPLY TO PAY -- NOT FOR CAMPAIGN PURPOSES, BUT TO PAY FOR PERSONAL DEBTS FROM PEOPLE WHO WOULD BE WILLING TO PAY IT. SMALL CONTRIBUTORS -- NOT

LARGE CONTRIBUTORS." HE SAID TO THE FEDERAL ELECTION COMMISSION, "I WILL ACCEPT A LIMIT OF $100 PER CONTRIBUTION. I WANT TO SEND OUT A MAILING TO PEOPLE JUST TELLING THEM ABOUT MY VERY BAD PERSONAL CIRCUMSTANCES.. WILL THAT COMPLY WITH THE FEDERAL ELECTION LAWS?" AND HE SET OUT IN A VERY DETAILED WAY EXACTLY WHAT HE HAD IN MIND IN TERMS OF THIS CAMPAIGN. AND THE FEDERAL ELECTION COMMISSION SAID THE FEDERAL ELECTION LAWS ARE ALL RIGHT; IT DOESN'T VIOLATE FEDERAL ELECTION LAWS. HE GOT THAT OPINION AT THE END OF MARCH OF 1977, AND HE WAS LOOKING FOR WAYS, AS I SAY, TO DEAL WITH THIS PERSONAL DEBT.

AT THE SAME TIME, THE HOUSE ETHICS COMMITTEE -- THE HOUSE HAS A COMMITTEE ON ETHICS REGARDING ITS MEMBERS. THE HOUSE ETHICS COMMITTEE WOULD BE CONCERNED WITH THE VERY SAME PROBLEM, BECAUSE THE HOUSE, EVEN PRIOR TO THE ETHICS IN GOVERNMENT ACT WHICH MR. COLE HAD DISCUSSED WITH YOU -- THE HOUSE HAD STANDARDS, ETHICAL STANDARDS WITH REGARD TO ITS MEMBER. AND THE QUESTION WAS: COULD A CONGRESSMAN GO OUT AND SOLICIT MONEY, NOT FOR CAMPAIGN PURPOSES, BUT FOR PERSONAL PURPOSES FROM PEOPLE AT LARGE, FROM SMALL CONTRIBUTORS? AND CONGRESSMAN HANSEN WROTE TO THE CHAIRMAN OF THE HOUSE ETHICS COMMITTEE -- AND THAT LETTER, AGAIN, WILL BE PRESENTED TO YOU IN EVIDENCE -- SAYING, "LOOK HERE: I'VE GOTTEN APPROVAL FROM THE FEDERAL ELECTIONS COMMISSION FOR A MAIL CAMPAIGN, OR SOME CAMPAIGN THAT WILL TRY TO GET SMALL CONTRIBUTORS TO RELIEVE ME -- WHO WOULD RECOGNIZE MY PROBLEM AND RELIEVE ME

OF THIS GREAT PERSONAL DEBT. CAN I DO IT?"

THE HOUSE ETHICS COMMITTEE AT THAT POINT ISSUED AN ADVISORY OPINION WHICH SAID: IT'S NOT PROPER, REALLY, FOR HOUSE MEMBERS TO GO OUT AND SOLICIT FOR PERSONAL CONTRIBUTIONS, FOR PERSONAL DEBTS. NOW, HERE'S A MAN WHO HAS A DEBT THREE, FOUR HUNDRED THOUSAND DOLLARS, HE AND HIS WIFE. HAPPILY MARRIED, THE EVIDENCE WILL SHOW FIVE CHILDREN, ALL OF WHOM HE IS VERY PROUD OF. AND THE CONGRESSMAN SAID -- AND HIS WIFE -- "HOW CAN WE DEAL WITH THIS ENORMOUS PERSONAL DEBT IF THE HOUSE ETHICS COMMITTEE SAYS WE CAN'T DO IT?"

THE EVIDENCE WILL SHOW, AND YOU WILL SEE DOCUMENTS, THAT AT THAT POINT, MRS. HANSEN WROTE A LETTER TO THE HOUSE ETHICS COMMITTEE, THE CHAIRMAN OF THE HOUSE ETHICS COMMITTEE, SAYING, "YOU CAN'T IMPOSE THIS BURDEN ON ME. I'M AN INDEPENDENT PERSON, TOO. I'VE GOT THIS ENORMOUS POSSIBILITY OF GREAT DEBTS, AND IF I WANT TO, I SHOULD BE ABLE TO GO OUT AND SOLICIT PERSONAL CONTRIBUTIONS FOR ME TO RELIEVE THIS PROBLEM." AND THE LETTER WILL BE INTRODUCED IN EVIDENCE.

THE HANSENS DID HAVE IN MIND AT THAT TIME, IN EARLY 1977, THAT THEY HAD TO HAVE SOME WAY OF RESOLVING THIS PROBLEM OF GREAT DEBT. IT'S NOT A CRIME IN THE UNITED STATES TO HAVE A GREAT DEBT. THERE'S NOTHING -- THERE WAS NOTHING IN ANY WAY DISHONORABLE IN THE WAY MR. HANSEN HAD ACTED PRIOR TO THAT TIME. HE HAD DONE EVERYTHING IN TERMS OF PUBLIC SERVICE, AND HE HAD ATTEMPTED TO SERVE HIS COUNTRY, AND WORKED UP THIS

DEBT WHICH HAD TO BE RESOLVED IN SOME WAY.

NOW, IT'S AT ABOUT THAT TIME, THE EVIDENCE WILL SHOW, THAT CONGRESSMAN HANSEN WENT AROUND TO VARIOUS PEOPLE -- AND THEY INCLUDED NELSON BUNKER HUNT -- AND HE SAID TO THEM, "HERE'S MY PROBLEM. WHAT CAN YOU DO, WHAT CAN YOU SUGGEST TO HELP ME? IS THERE SOME WAY THAT YOU CAN HELP ME WITH MY PERSONAL PROBLEM OF GREAT DEBT?" HE MET MR. HUNT, WHOM HE HAD KNOWN JUST CASUALLY, BUT WHOM HE HAD HEARD OF. HE HAD MET HIM SEVERAL TIMES BEFORE APRIL OF 1977. IT IS NOT AS IF MR. HUNT WAS FIRST MEETING MR. HANSEN IN APRIL OF 1977. THE EVIDENCE WILL SHOW THAT MR. HUNT KNEW OF CONGRESSMAN HANSEN, INDEED, APPROVED OF HIM, BECAUSE CONGRESSMAN HANSEN IS, AS HER HONOR TOLD YOU DURING THE VOIR DIRE, A REPUBLICAN CONGRESSMAN WITH A STRONG CONSERVATIVE RECORD. AND THAT'S WHAT MR. HUNT FELT. POLITICALLY, MR. HUNT IS A CONSERVATIVE, AND HE FELT THAT HE LIKED THE VOTING RECORD AND THE PUBLIC RECORD OF CONGRESSMAN HANSEN.

AND AMONG VARIOUS PEOPLE, THE EVIDENCE WILL SHOW, WHO CONGRESSMAN HANSEN VISITED IN THAT PERIOD OF TIME, EARLY 1977, APRIL 1977, WAS NELSON BUNKER HUNT. THE EVIDENCE WILL SHOW -- AND YOU WILL HEAR IT FROM THE WITNESS STAND -- THAT IN THE ORIGINAL DISCUSSION IN APRIL OF 1977, MR. HUNT SAID TO CONGRESSMAN HANSEN, "I'M NOT GOING TO GIVE YOU ANY CONTRIBUTION. I'M AN INDIVIDUAL WHO DEALS IN BUYING AND SELLING COMMODITIES AND OTHER SPECULATION." HE'S A WELL-KNOWN

DEALER IN TEXAS. "IF I HEAR OF ANY GOOD OPPORTUNITY IN THAT REGARD, I WILL PROVIDE IT. BUT, I DON'T THINK IT WOULD BE APPROPRIATE FOR ME TO PROVIDE IT TO YOU. I WILL PROVIDE IT TO YOUR WIFE."

WHY WOULD NELSON BUNKER HUNT DO THIS? I THINK THE EVIDENCE WILL SHOW THAT MR. HUNT HAD MET MRS. HANSEN AND HAD ALSO BEEN IMPRESSED BOTH BY WHAT CONGRESSMAN HANSEN HAD DONE AND BY THE FACT THAT MRS. HANSEN WAS WORKING IN CONGRESSMAN HANSEN'S OFFICE AT ABSOLUTELY NO PAY WHATSOEVER. SHE HAD TO THAT TIME, AND TO THIS DAY, DONATED HER EFFORTS SIMPLY FULL-TIME WORKING IN THE CONGRESSMAN'S OFFICE GRATIS, RATHER THAN, AS MR. HUNT I THINK WILL TESTIFY -- RATHER THAN SIMPLY TAKING A JOB IN SOME OTHER CONGRESSMAN'S OFFICE, WHICH IS A COMMON PRACTICE ON THE HILL, IN WHICH THE WIFE OF ONE CONGRESSMAN MAY WORK FOR ANOTHER CONGRESSMAN. SO HE FELT THAT IT WAS APPROPRIATE TO HELP THE HANSENS IN SOME WAY, POSSIBLY BY SUGGESTING TO THEM A MEANS IN WHICH THEY COULD MAKE SOME MONEY, OR IN WHICH MRS. HANSEN, SPECIFICALLY, COULD MAKE SOME MONEY. AND YOU WILL HEAR FROM MR. HUNT THAT HE WAS VERY CAREFUL FROM THE VERY OUTSET TO DEAL WITH MRS. HANSEN, BECAUSE HE THOUGHT IT WAS IMPORTANT THAT IT BE MRS. HANSEN, WHO WAS SOLICITING FUNDS SEPARATELY IN HER OWN NAME, WHO SHOULD BE THE PERSON WHO SHOULD BE MAKING THAT PROFIT, IF THERE WAS TO BE A PROFIT ON A COMMODITIES TRANSACTION.

NOW, WE FINALLY COME TO MR. COLE'S FIRST PIECE IN

THE JIGSAW PUZZLE, APRIL 20TH OF 1977, WHEN A SOYBEANS COMMODITIES TRANSACTION WAS ENGAGED IN WHICH FOR ONE DAY REALIZED A PROFIT, AND TWO DAYS THEREAFTER RESULTED IN A LOSS OF $30,000. NOW, MR. COLE HAS TOLD YOU THAT THE SOYBEANS, IF THEY WERE DELIVERED TO MRS. HANSEN'S HOME, WOULD BE A TOTAL VALUE OF TWO MILLION SOME-ODD DOLLARS. I THINK YOU WILL PROBABLY HEAR FROM THE WITNESS STAND THAT PEOPLE WHO DEAL IN SOYBEANS FUTURES DON'T ORDINARILY HAVE SOYBEANS DELIVERED TO THEIR HOME; THAT THE WAY THE SOYBEAN FUTURE MARKET WORKS, LIKE MAYBE THOSE OF YOU WHO HAVE BOUGHT SOME STOCK OR SOMETHING KNOW, IT'S PAPER TRANSACTIONS. YOU DON'T GET A PIECE OF GENERAL MOTORS SENT TO YOU AT YOUR HOME. YOU DEAL IN PAPER. YOU BUY A FUTURE, YOU SELL A FUTURE. SO THE MILLION DOLLAR FIGURE THAT MR. COLE HAS BEEN USING AND THAT THE GOVERNMENT USES IN VARIOUS WAYS IS, I THINK YOU WILL FIND FROM THE EVIDENCE, SIMPLY A WAY OF SETTING UP A SMOKESCREEN AND MAKING THE TRANSACTION LOOK SO ENORMOUS THAT YOU MUST FEEL THAT THERE IS SOMETHING WRONG WITH IT.

NOW, LET ME JUST FOR A MOMENT SIDETRACK, BECAUSE THAT BRINGS ME TO WHAT I THINK YOU WILL REALIZE FROM THE EVIDENCE AND THE INSTRUCTIONS OF HER HONOR, WHICH IS THAT THIS CASE CONCERNS THE QUESTION OF WHETHER CERTAIN TRANSACTIONS, THREE RELATED TRANSACTIONS ALL OF WHICH HAVE TO DO WITH MR. HUNT, AND THEN ONE SERIES OF LOANS, WHICH I WILL GET TO IN A LITTLE WHILE, WERE DELIBERATELY, WILLFULLY AND

CRIMINALLY NOT PUT ON CONGRESSMAN HANSEN'S FORMS THAT HE WAS REQUIRED TO SUPPLY UNDER THE LAW. THAT IS THE QUESTION FOR YOU.

LOTS OF OTHER THINGS THAT MR. COLE HAS TALKED ABOUT, WHETHER MR. HUNT TRANSFERRED A PROFIT THAT HE HAD MADE ALREADY OR NOT, WHETHER MRS. HANSEN WAS INVOLVED IN A TRANSACTION AT AN EARLIER STAGE OR AT A LATER STAGE, WHETHER MONEY -- $125,000 WENT FROM A BANK IN IDAHO TO PAY FOR A MARGIN ACCOUNT -- ALL THOSE THINGS ARE REALLY ENTIRELY IRRELEVANT TO THE QUESTION OF WHETHER THERE WAS A DELIBERATE, INTENTIONAL WITHHOLDING OF INFORMATION FROM THAT FORM THAT WAS FILED WITH THE FEDERAL GOVERNMENT, BECAUSE THE QUESTION OF WHETHER THOSE PARTICULAR TRANSACTIONS SHOULD HAVE BEEN FILED AND SHOULD HAVE BEEN NOTED ON THAT FORM REALLY TURNED, AS THE EVIDENCE WILL SHOW, ON WHAT CONGRESSMAN HANSEN KNEW AND BELIEVED AT THE TIME HE FILLED OUT THOSE FORMS.

AND THOSE DATES END UP BEING IMPORTANT, LADIES AND GENTLEMEN OF THE JURY. YOU WILL SEE THAT IT IS IN MAY OF EVERY YEAR THAT THE FORM HAS TO BE FILLED OUT AND SUBMITTED. AND IT WAS IN MAY OF EVERY YEAR OF 1979, OF 1980, OF 1981, AND OF 1982, THAT CONGRESSMAN HANSEN FILLED OUT THE FORM WHICH, WHEN YOU SEE IN EVIDENCE, HAS GOT A LIST OF A LOT OF DEBTS TO BANKS WHICH HE OWED. HE WASN'T HIDING THE FACT THAT HE OWED A LOT OF MONEY. EVERYBODY IN IDAHO KNEW IT. YOU WILL SEE IN EVIDENCE, YOU WILL SEE NEWSPAPER ARTICLES PUBLISHED

IN IDAHO WHICH -- IN HIS HOME JURISDICTION, WHICH TALKED ABOUT THE GREAT PERSONAL DEBT AND THE FACT THAT MRS. HANSEN WAS GOING OUT AND PERSONALLY SOLICITING FOR FUNDS TO PAY OFF THAT DEBT. YOU WILL SEE IN EVIDENCE THE LETTERS THAT WERE SENT OUT OVER MRS. HANSEN'S NAME SOLICITING THOSE CONTRIBUTIONS TO PAY FOR THAT PERSONAL DEBT IN 1977 AND 1978. AND WHAT YOU WILL SEE--AND WHAT IS MAYBE EVEN MORE IMPORTANT THAN ALL THAT IS YOU WILL SEE IN EVIDENCE A PIECE OF THE JIGSAW PUZZLE THAT MR. COLE -- A LARGE PIECE -- HAS NOT EVEN ADVERTED TO AT ALL, WHICH IS THAT WHEN IN 1977 MR. AND MRS. HANSEN DECIDED THAT IT WOULD BE NECESSARY FOR MRS. HANSEN TO SOLICIT FUNDS SEPARATELY, THEY SPOKE TO THEIR FAMILY LAWYER IN IDAHO, AND THEY SAID, "WHAT CAN WE DO TO BE SURE THAT WE SATISFY THE REQUIREMENTS OF THE HOUSE OF REPRESENTATIVES AS WELL AS ENABLING MRS. HANSEN TO GO OUT AND DO THIS?" AND THE LAWYER IN IDAHO, WHO WILL TESTIFY AND FROM WHOM YOU WILL HEAR, SAID, "THE WAY TO DO IT IS TO ENTER INTO A FORMAL PROPERTY SEPARATION AGREEMENT. BOTH OF YOU SIGN AN AGREEMENT IN WHICH YOU SAY YOU TAKE HALF THE PROPERTY, CONGRESSMAN HANSEN, AND MRS. HANSEN WILL TAKE THE OTHER HALF. YOU'LL TAKE SOME OF THE ASSETS AND THE LIABILITIES; SHE'LL TAKE OTHER ASSETS AND LIABILITIES."

AND, IN FACT, IN JUNE OF 1977, MR. AND MRS. HANSEN SIGNED A PROPERTY SEPARATION AGREEMENT, NOTARIZED BY THE ATTORNEY IN IDAHO, WHICH DID EXACTLY THAT. AND THE EVIDENCE

WILL SHOW NOT ONLY THAT THEY SIGNED THAT -- THEY SIGNED IT IN SEPTEMBER. IT IS EFFECTIVE AS OF JUNE, BECAUSE CONGRESSMAN HANSEN IS A BUSY MAN; HE WAS HERE IN WASHINGTON, THE LAWYER WAS IN IDAHO. IT TOOK TILL SEPTEMBER TO SIGN IT, BUT IT WAS EFFECTIVE AS OF JUNE. AND THAT SEPARATION AGREEMENT SPECIFICALLY SAYS WITH REGARD TO THAT LOAN -- THERE'S A LOAN THAT MR. COLE TALKED ABOUT. HE SAID: LOOK, WHAT HAPPENED IS THE SOYBEAN TRANSACTION ENDED, IF YOU RECALL, IN A $33,000 LOSS, AND HE SAID MR. HUNT TOOK MRS. HANSEN AND TOOK HER DOWN TO A BANK IN DALLAS AND SAID, "I'LL GUARANTEE A $50,000 LOAN." AND THAT $50,000 LOAN IS ONE WHICH MR. COLE SAYS SHOULD HAVE APPEARED ON THAT FORM IN 1978.

WELL, THE LOAN, THE VERY SPECIFIC LOAN FROM THE FIRST NATIONAL BANK OF DALLAS, TEXAS, IN THE SUM OF $50,000 IS IN THAT PROPERTY SEPARATION AGREEMENT WHICH YOU WILL SEE, AND IT HAS BEEN ASSIGNED TO MRS. HANSEN. SO THAT AS OF MAY, 1978, THAT WAS MRS. HANSEN'S LOAN.

NOW, ANOTHER RED HERRING THAT MR. COLE HAS RAISED IN HIS OPENING -- I'M MIXING MY METAPHORS A LITTLE BIT, BUT ANOTHER RED HERRING THAT MR. COLE HAS RAISED IN HIS OPENING ARGUMENT IS THAT HE SAYS YOU CAN ONLY, UNDER THAT FORM, EXCLUDE PROPERTY OR LIABILITIES OF YOUR WIFE IF IT MEETS THESE THREE TESTS. AND HE HAS LISTED FOR YOU THE THREE TESTS THAT ARE IN THE LAW. AND HE'S RIGHT; THAT LAW DOES HAVE THOSE THREE TESTS. BUT THAT'S NOT THE POINT. CONGRESSMAN HANSEN

WAS NOT SAYING THAT HE WAS ENTITLED TO EXCLUDE HIS WIFE'S LOAN BECAUSE IT MET ONE OF THOSE THREE TESTS. IN FACT, YOU WILL SEE WHEN YOU SEE THE DOCUMENTS IN EVIDENCE THAT ON THE FORMS -- THERE WERE YEARS WHEN THE FORMS SPECIFICALLY SAID THAT: ARE YOU EXCLUDING ANY PROPERTY BECAUSE IT MEETS ONE OF THOSE THREE TESTS? CONGRESSMAN HANSEN SAID NO, BECAUSE THAT WAS NOT WHY HE WAS EXCLUDING THE PROPERTY. HE WAS EXCLUDING THAT PROPERTY AND THOSE LOANS FROM THAT FORM BECAUSE, FROM ALL THE DISCUSSIONS HE HAD HAD WITH THE HOUSE ETHICS COMMITTEE, FROM THE LETTERS HE HAD WRITTEN TO THE FEDERAL ELECTION COMMISSION, FROM THE LETTERS HE HAD WRITTEN TO THE HOUSE ETHICS COMMITTEE, FROM ALL THAT WAS KNOWN IN IDAHO, EVERYBODY KNEW THAT MRS. HANSEN'S PROPERTY AND THE THINGS SHE WAS OBTAINING WERE SEPARATE AND INDEPENDENT AND WERE NOT THE CONGRESSMAN'S IN ANY WAY. AND THAT'S WHY THEY WERE NOT ON THAT FORM IN MAY OF 1978. THAT'S WHY THE LOAN FROM THE FIRST NATIONAL BANK WAS NOT ON THAT FORM AS OF MAY OF 1978. AND THE SAME THING IS TRUE WITH THE SILVER TRANSACTION.

THERE'S REALLY -- THERE ARE THREE COUNTS. AND I THINK MR. COLE HAD THEM BACKWARDS, BECAUSE THE INDICTMENT LISTS THEM BACKWARDS. THE FOURTH COUNT IS THE FIRST ONE CHRONOLOGICALLY. THAT HAS TO DO WITH THIS LOAN OF $50,000 FROM THE DALLAS NATIONAL BANK WHICH MR. HUNT GUARANTEED. COUNT 3 HAS TO DO WITH THE SILVER TRANSACTION THAT MR. COLE DESCRIBED THAT MR. HUNT WAS INVOLVED WITH. AND YOU WILL HEAR

THE DETAILS OF THAT FROM THE WITNESS STAND. AND I THINK THE EVIDENCE WILL LEAD YOU TO CONCLUDE THAT THERE WAS NOTHING SUSPICIOUS OR WRONG IN THAT TRANSACTION. IT WAS AN EFFORT, AGAIN, BY MR. HUNT, TWO YEARS LATER, IN JANUARY OF 1979, TO PROVIDE SOME RECOMMENDATION THAT WOULD RESULT IN THE HANSENS GETTING OUT OF THEIR TERRIBLE FINANCIAL BIND.

IF MR. HUNT HAD SIMPLY WANTED TO GIVE THEM THE MONEY, THERE WOULD NOT HAVE BEEN ANY LOAN, THERE WOULD NOT HAVE HAD TO BE ANY OBLIGATION THAT MRS. --

MR. COLE: YOUR HONOR, I DON'T MEAN TO INTERRUPT, BUT I'VE BEEN SITTING FOR QUITE A WHILE. THIS IS GETTING INTO ARGUMENT. HE IS ASKING THE JURY TO DRAW CONCLUSIONS. HE IS ASKING THEM TO SPECULATE --

THE COURT: ALL RIGHT. COUNSEL, UP TO THE BENCH, PLEASE.

(AT THE BENCH)

THE COURT: SOME OF IT IS ARGUMENT AND SOME OF IT IS GETTING INTO THAT AREA. SOME OF IT IS LEGITIMATE OPENING STATEMENT. AND OBVIOUSLY, MR. LEWIN, AS AN EXPERIENCED COUNSEL, KNOWS THAT HE HAS TO TONE DOWN THE ARGUMENT PART.

MR. LEWIN: YES.

THE COURT: I AM LOATHE TO INTERRUPT AN ARGUMENT, AND I WAS HOPING YOU WOULD GET OUT OF THAT PHASE. BUT I AGREE, NOW IS THE TIME TO SAY PLEASE HOLD TO OPENING STATEMENT --

MR. LEWIN: YES, YOUR HONOR. I AM TRYING TO.

THE COURT: AND WAIT UNTIL THE CONCLUSION OF THE CASE, WHEN IT IS TIME TO WRAP THIS ALL UP.

MR. LEWIN: YES.

MR. COLE: THANK YOU, YOUR HONOR.

THE COURT: GOOD.

(IN OPEN COURT)

MR. LEWIN: IN 1979, IN JANUARY OF 1979, THE EVIDENCE WILL SHOW THAT MR. HUNT DID ASSIST IN TRYING TO HELP MRS. HANSEN OUT OF THIS FINANCIAL PREDICAMENT AGAIN, AND THE EVIDENCE WILL SHOW IT WAS DONE ONLY WITH MRS. HANSEN, AND HIS CONTACTS WERE WITH MRS. HANSEN--NOT WITH THE CONGRESSMAN, BUT ONLY WITH HIS WIFE, BECAUSE HE REALIZED THAT IT WAS MRS. HANSEN WHO WAS THE ONE WHO SHOULD BE RESPONSIBLE FOR THE OBLIGATION AND WHO WAS THE ONE WHO WAS COLLECTING THE FUNDS TO COVER THAT FAMILY CRISIS.

AND THEN, AGAIN, IN 1980, THE EVIDENCE WILL SHOW THAT THE LOAN THAT HAD ORIGINALLY BEEN MADE -- IT IS NOT A DIFFERENT TRANSACTION. COUNT 2 AND COUNT 4 IS BASICALLY THE SAME LOAN. IT WAS LISTED TO THE DALLAS NATIONAL BANK ORIGINALLY. THE LOAN WAS THEN PURCHASED BY MR. HUNT, AND HE VIEWED MRS. HANSEN AS THE ONE WHO WAS OBLIGED TO SIGN ON IT BECAUSE, AS THE EVIDENCE WILL SHOW, IT WAS MRS. HANSEN WHO WENT OUT, TRAVELED TO DALLAS; IT WAS MRS. HANSEN WHO SIGNED THE NOTE. IT WAS MRS. HANSEN, THE EVIDENCE WILL SHOW, WHO PAID AN INTEREST PAYMENT ON THAT NOTE.

COUNTS 2, 3 AND 4, THEN, LADIES AND GENTLEMEN OF THE JURY, THE EVIDENCE WILL SHOW, WERE ALL ITEMS THAT WHEN THE CONGRESSMAN FILLED OUT HIS FORM IN MAY OF THAT YEAR, HE SAID TO HIMSELF -- AND THE EVIDENCE WILL SHOW THAT -- THAT AT THAT POINT, THOSE WERE LOANS WHICH, PURSUANT TO THE CORRESPONENCE, PURSUANT TO THE UNDERSTANDINGS, HAD ALL BEEN PROPERTY OF MRS. HANSEN AND, THEREFORE, NOT REPORTABLE ON THE FORMS.

BEYOND THAT, THE EVIDENCE WILL SHOW THAT WHEN THE ISSUE FIRST CAME UP AFTER THE PROPERTY SETTLEMENT AGREEMENT HAD BEEN ENTERED INTO AND HAD BEEN CONCLUDED, THE CONGRESSMAN SPOKE BOTH WITH HIS PRIVATE ATTORNEY IN IDAHO AND WITH AN ATTORNEY WHO IS ON HIS STAFF HERE IN WASHINGTON, TO SEE WHETHER HE THEN HAD THE OBLIGATION TO PUT HIS WIFE'S LOANS ON THAT FORM, AND HE WAS TOLD THAT HE DID NOT. SO HE WAS SEEKING ADVICE AND, PURSUANT TO THAT, HE WROTE WHAT HE DID ON THE FORM. AND IT'S THAT ISSUE, WHETHER WHAT HE WROTE ON THE FORM WAS DELIBERATELY, CRIMINALLY WRONG, THAT IS THE ISSUE FOR YOU TO DECIDE.

LET ME TURN NOW TO THE OTHER HALF OF THIS CASE, OR MAYBE A LITTLE BIT LESS THAN HALF, WHICH IS COUNT 1. THOSE ARE THREE LOANS THAT WERE MADE IN 1981. AND AGAIN, HERE, THERE IS FAR TOO LITTLE OF THE JIGSAW PUZZLE.

LONG BEFORE 1981, THE EVIDENCE WILL SHOW, CONGRESSMAN HANSEN WAS A VIGOROUS CRITIC OF THE METHODS, TECHNIQUES USED

BY THE INTERNAL REVENUE SERVICE, AND VARIOUS OTHER AGENCIES OF GOVERNMENT: OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, AND OTHERS. SO MUCH SO THAT IN HIS DEALINGS WITH THOSE AGENCIES, HE HAD MADE A PUBLIC RECORD --

MR. COLE: YOUR HONOR, MAY WE APPROACH THE BENCH?

THE COURT: MR. LEWIN AND MR. COLE, YES.

MR. LEWIN: NO, THIS IS EVIDENCE, YOUR HONOR.

THE COURT: MR. LEWIN AND MR. COLE, WE WILL TALK ABOUT THESE THINGS AT THE BENCH.

(AT THE BENCH)

THE COURT: I ASSUME THAT YOU ARE GOING TO BE CONCERNED ABOUT SELECTIVE PROSECUTION?

MR. COLE: ABSOLUTELY, YOUR HONOR.

THE COURT: ALL RIGHT. WE ALSO DID DISCUSS IT TANGENTIALLY YESTERDAY AT THE TIME OF VOIR DIRE. I RECOGNIZE YOU ARE GOING TO MAKE AN OBJECTION TO ANY REFERENCE TO THIS; AM I CORRECT, MR. COLE?

MR. COLE: YES. I BELIEVE WE EITHER CURRENTLY HAVE A MOTION IN LIMINE PENDING OR MADE THE COURT AWARE THAT WE ARE GOING TO BE OBJECTING TO ALL THAT EVIDENCE.

MR. WEINGARTEN: THE COURT HAS MADE A RULING.

MR. COLE: IT IS ALSO JUST INFLAMMATORY AND IRRELEVANT EVIDENCE.

THE COURT: AS TO SELECTIVE PROSECUTION, NO QUESTION MR. LEWIN KNOWS HE CANNOT DRAW CONNECTIONS BETWEEN OTHER

PERSONS WHO MAY OR MAY NOT HAVE BEEN PROSECUTED AND TRY TO HAVE THE JURY BELIEVE THAT MR. HANSEN HAS BEEN SINGLED OUT FOR THIS PROSECUTION.

ON THE OTHER HAND, THERE HAS TO BE SOME INTRODUCTION WITH REFERENCE TO AT LEAST THE TAXPAYERS ASSOCIATION THAT WAS CREATED, BECAUSE OF THE LETTER, BECAUSE OF FUNDS, BECAUSE OF OTHER MATTERS. AND I MENTIONED THAT AT THE TIME OF VOIR DIRE.

MR. COLE: WE HAVE NO PROBLEM WITH THE FACT OF THE ASSOCIATION.

THE COURT: NOW, HOW DO YOU PLAN TO ADDRESS THIS MATTER, MR. LEWIN, SO THAT WE ARE CONFIDENT THAT WE WILL NOT BE GETTING INTO THE SELECTIVE PROSECUTION AREA?

MR. LEWIN: I WILL NOT TALK ABOUT SELECTIVE -- OR EVEN SUGGEST SELECTIVE PROSECUTION, YOUR HONOR. I AM SIMPLY GOING INTO THE HISTORY OF THE FACT THAT MR. HANSEN DID HAVE THIS PUBLIC POSITION, THAT HE WROTE A BOOK ON IT IN 1980, THAT ULTIMATELY THAT BOOK, AS A MATTER OF FACT THE EVIDENCE WILL SHOW, WAS DISCUSSED IN THESE MEETINGS WITH MR. MCAFEE AND MR. MEADE AND THE FUNDS WERE RAISED SPECIFICALLY FOR THE BOOK AND FOR THE ORGANIZATION. THAT'S WHAT I AM PLANNING TO GO INTO. AND THAT HE KNEW MR. MCAFEE. I WILL SAY THAT HE KNEW MR. MCAFEE BEFORE 1981; HE KNEW HIM SINCE BACK IN 1979.

THE COURT: I'M NOT CONCERNED WITH HOW LONG HE KNEW

HIM. WHAT I AM CONCERNED ABOUT IS WHAT YOU ARE GOING TO SAY WITH REFERENCE TO --

MR. LEWIN: I'M NOT GOING TO SAY ANYTHING --

THE COURT: -- WHAT SOUNDS LIKE IT IS GETTING INTO THE AREA OF SELECTIVE PROSECUTION.

MR. LEWIN: I CAN ONLY ASSURE YOUR HONOR I AM NOT INTENDING TO DO ANYTHING LIKE THAT.

THE COURT: DID I DERIVE FROM WHAT YOU JUST SUGGESTED THAT YOU ARE GOING TO SAY THAT IN HIS CONFERENCES WITH MR. MCAFEE, MR. MEADE, ETC., THAT SOME OF THE MONIES THAT WERE EXCHANGED AS A RESULT OF THAT HAD TO DO WITH THEIR ASSISTING IN THE PUBLICATION OF THE BOOK?

MR. LEWIN: OH, ABSOLUTELY. I THINK THAT IS UNDISPUTED. AS A MATTER OF FACT, I THINK THE TESTIMONY --

MR. WEINGARTEN: WE HAVE NO OBJECTION TO THAT. WHAT WE OBJECT TO IS THE SUBSTANCE OF THE BOOK; WE OBJECT TO HIS PUBLIC POSITIONS ON THE IRS. WE THINK THAT IS WHOLLY IRRELEVANT.

MR. LEWIN: YOUR HONOR, THE SUBSTANCE OF THE BOOK, I DEFINITELY INTEND TO OFFER THE BOOK ULTIMATELY IN EVIDENCE.

THE COURT: WE'LL SEE ABOUT THE BOOK COMING INTO EVIDENCE ULTIMATELY. AS FAR AS THE CHARACTERIZATION OF THE BOOK, I DON'T MIND YOU SAYING ONE OR TWO LINES, IN EFFECT, ABOUT THE CHARACTERIZATION OF THE BOOK.

MR. LEWIN: SURE.

THE COURT: BUT TO GO INTO DETAIL ABOUT IT --

MR. LEWIN: NO, I'M NOT.

THE COURT: -- WOULD BE IMPROPER, BECAUSE THEN WE ARE STEPPING OVER THE LINE. IT'S A VERY CLOSE LINE. IT'S A DIFFICULT THING TO DO.

MR. LEWIN: YOUR HONOR, I UNDERSTAND THAT.

THE COURT: YOU HAVE YOUR LATITUDE TO MENTION THE BOOK IF YOU ARE GOING TO DRAW THIS PROFFER, THAT YOU ARE GOING TO SHOW THAT THE FUNDS CAME AS A RESULT OF PUBLICATION OF THE BOOK. BUT TO TALK ABOUT THE CHARACTERIZATION OF HOW THIS BOOK EXPRESSED THE PHILOSOPHY OF THE CONGRESSMAN AND GO ON AND ON ABOUT IT IS NOT GOING TO BE PERMITTED IN YOUR OPENING STATEMENT, IN ANY EVENT.

MR. WEINGARTEN: THERE IS ONE MORE POINT I THINK IS ALSO IMPORTANT. MR. LEWIN HAS PROVIDED US WITH DEFENSE EXHIBITS INCLUDING LEGISLATION CONGRESSMAN HANSEN INTRODUCED. I THINK THAT RAISES SUBSTANTIAL SPEECH AND DEBATE QUESTIONS, AND IF MR. LEWIN WANTS TO INTRODUCE THAT EVIDENCE AND IT'S DEEMED RELEVANT, WE WANT THAT TO BE INTERPRETED AS A WAIVER SO THAT OTHER LEGISLATION OF MR. HANSEN'S AS INTRODUCED IN CONGRESS IS EQUALLY ADMISSIBLE, IF RELEVANT.

MR. LEWIN: THAT'S RIDICULOUS.

THE COURT: YOU HAVE PUT HIM ON NOTICE WHAT YOUR POSITION IS. WHAT ARE YOU GOING TO DO IN YOUR OPENING STATEMENT WITH REFERENCE TO THAT?

MR. LEWIN: I AM GOING TO SAY AND IT'S A MATTER OF PUBLIC RECORD THAT THE CONGRESSMAN INTRODUCED THE TAXPAYER PROTECTION ACT IN 1981, EXACTLY AT THE TIME THAT HE WAS SEEKING THOSE LOANS FROM MR. MCAFEE AND MR. MEADE. HE HAD INTRODUCED THE TAXPAYER PROTECTION ACT. HE TALKED TO THE PEOPLE ABOUT THE WHOLE ASSOCIATION OF CONCERNED TAXPAYERS. THE ASSOCIATION OF CONCERNED TAXPAYERS IS NOT --

THE COURT: HOW ARE YOU GOING TO DRAW THE CONNECTION BETWEEN THAT AND YOUR THEORY OF DEFENSE?

MR. LEWIN: BECAUSE THAT'S EXACTLY WHAT WAS TALKED ABOUT WITH MR. MCAFEE AND MR. MEADE. THEY TALKED ABOUT THE BOOK. THEY TALKED ABOUT THE EFFORTS THAT ARE BEING MADE WITH REGARD TO THE INTERNAL REVENUE SERVICE. AND TIME-WISE, THAT WAS PRECISELY THE TIME THAT THIS LEGISLATION WAS INTRODUCED. THAT'S EXACTLY IT.

THE POINT IS, CONGRESSMAN HANSEN WAS RIGHT IN THE MIDDLE OF THIS EFFORT TO AMEND THE TAX LAWS AND MAKE THEM FAIR WHEN HE GOT THESE $135,000 IN LOANS. AND INDEED, YOUR HONOR -- I MEAN I WOULD SAY IN OPENING STATEMENT, AND THE GOVERNMENT KNOWS IT, THE $135,000 WENT INTO THE ASSOCIATION OF CONCERNED TAXPAYERS.

THE COURT: THAT IS, OF COURSE, WHY I MENTIONED THE ASSOCIATION OF CONCERNED TAXPAYERS --

MR. LEWIN: OF COURSE

THE COURT: -- YESTERDAY, MR. LEWIN. BUT WE ARE

NOT -- THIS ISN'T YOUR WHOLE DEFENSE, IS IT?

MR. LEWIN: IT IS THE OUTLINE OF MY DEFENSE.

THE COURT: IT IS THE OUTLINE OF YOUR DEFENSE.

MR. LEWIN: YES.

THE COURT: AND YOU ARE DRAWING AN ABSOLUTE CONNECTION BETWEEN YOUR DEFENSE AND THOSE WITNESSES' TESTIMONY --

MR. LEWIN: OF COURSE.

THE COURT: -- THAT THE LEGISLATION WAS DISCUSSED.

MR. LEWIN: NO, I'M NOT SAYING THE LEGISLATION. I'M SAYING THE EFFORT WITH REGARD TO THE INTERNAL REVENUE SERVICE, THE BOOK AND THE EFFORT REGARDING THE INTERNAL REVENUE SERVICE, AND THAT WAS WHAT THE MONEY WAS BEING BORROWED FOR, FOR THE ASSOCIATION OF CONCERNED TAXPAYERS.

THE COURT: ALL RIGHT. YOU WILL BE PERMITTED, OF COURSE, TO REFER TO THOSE MATTERS. YOU WILL NOT BE PERMITTED TO ELABORATE UPON IT TO THE POINT THAT IT CROSSES THAT LINE.

YOU KNOW, I CAN'T TELL YOU WHAT TO SAY, MR. LEWIN, BUT I CAN TELL YOU THAT YOU ARE GOING TO HAVE TO DRAW IT VERY NARROWLY. IT IS GOING TO HAVE TO BE A BRIEF PART OF YOUR OPENING STATEMENT AT THIS TIME AS FAR AS THE LEGISLATION, TO COUCH IT "IN FAIRNESS TO TAXPAYERS" AND GO ON AND ON. THAT'S YOUR VERSION. BUT THIS IS AN OPENING STATEMENT OF YOUR PROFFER IN RESPONSE TO THE SPECIFIC FOUR COUNTS OF THE INDICTMENT.

MR. LEWIN: RIGHT.

THE COURT: AND SO IT IS NOT JUST AN EXPRESSION OF THE CONGRESSMAN'S PHILOSOPHY, BE IT CONSERVATIVE, LIBERAL, OR WHATEVER.

MR. LEWIN: NO, BUT IT IS IMPORTANT THAT THE JURY KNOW, AND THE EVIDENCE WILL SHOW THAT HE HAD TAKEN A PUBLIC POSITION ON THE INTERNAL REVENUE SERVICE AND ON THIS EFFORT THAT HE WAS MAKING BEFORE 1981. THAT'S ALL THAT I AM SAYING.

THE COURT: BUT YOU HAVE TO TIE IT TOGETHER WITH THE COUNTS OF THE INDICTMENT, AND NOT JUST THROW IT OUT THERE: HE'S 53 YEARS OF AGE, WHICH HAS NOTHING TO DO WITH THE INDICTMENT, RIGHT?

MR. LEWIN: OF COURSE. I HAVEN'T MENTIONED HIS AGE.

MR. COLE: IT WOULD SEEM TO ME WHETHER CONGRESSMAN HANSEN WAS INVOLVED WITH THIS TYPE OF ACTIVITY PRIOR TO 1981 IS IRRELEVANT HERE. WHAT IS RELEVANT IS MERELY JUST THE FACT THAT THERE WAS AN ASSOCIATION FORMED AND THAT, ACCORDING TO MR. LEWIN, HE SOLICITED FUNDS ON BEHALF OF IT.

THE COURT: MR. LEWIN HAS SAID VERY SPECIFICALLY IN RESPONSE TO THE COURT'S QUESTIONING THAT HE IS GOING TO TIE IT IN WITH THE SPECIFIC COUNTS. SO FROM HIS POINT OF VIEW AND WHAT HE IS TELLING THE COURT, IT HAS RELEVANCE.

MR. WEINGARTEN: BUT HE WON'T TIE IN MCAFEE WITH THE LEGISLATION. I WOULD BE VERY SURPRISED IF THERE IS EVIDENCE TO THAT EFFECT.

THE COURT: THAT WOULD BE INTERESTING.

MR. WEINGARTEN: YES.

MR. LEWIN: WHAT I AM SAYING IS WITH REGARD TO THE EFFORTS CONGRESSMAN HANSEN WAS MAKING IN 1981, HE WAS MAKING EFFORTS WITH REGARD TO REFORMING THE TAX LAWS, HE WAS FORMING THE ASSOCIATION OF CONCERNED TAXPAYERS; THAT ALL HAS TO DO WITH WHY THE FUNDS WERE SOLICITED AND WHAT THE FUNDS WERE USED FOR, AND HIS STATE OF MIND AT THE TIME HE FILED THAT FORM IN MAY OF 1982. THAT'S THE WHOLE POINT: WAS HE SOLICITING THOSE FUNDS FOR THIS EFFORT, WHICH WAS LEGISLATIVE, PUBLIC RELATIONS, A BOOK. THESE ARE ALL PUT TOGETHER. AND I SUBMIT --

THE COURT: AND NOT TO DEFRAY HIS DEBT.

MR. LEWIN: AND NOT TO DEFRAY HIS PERSONAL DEBTS. THAT IS EXACTLY RIGHT, YOUR HONOR. AND I PUT TO YOUR HONOR THAT $135,000 -- THE ACCOUNTING RECORDS WILL SHOW $135,000 OF THAT MONEY SPECIFICALLY WAS PUT INTO THE ASSOCIATION FOR CONCERNED TAXPAYERS. I DON'T THINK MR. WEINGARTEN CAN DENY THAT.

THE COURT: YOU WILL BE ABLE TO ADDRESS IT BRIEFLY. DO NOT OVERSTEP THE BOUNDS AND GET INTO THAT AREA OF SELECTIVE PROSECUTION, BECAUSE WE WILL HAVE ONE REAL PROBLEM IF YOU DO, MR. LEWIN. ALL RIGHT?

MR. LEWIN: YES.

THE COURT: AND, GENTLEMEN, AS YOU KNOW, WE WILL IN

THE FUTURE DEAL WITH ONE COUNSEL. YOU CAN TALK TO EACH OTHER UP HERE, BUT ONE COUNSEL, BECAUSE -- WELL, BOTH SIDES I'M SAYING THIS TO. BECAUSE IT BECOMES UNWIELDLY. WE MIGHT AS WELL SET OUR RULES AND PROCEDURES AT THIS TIME.

MR. COLE: VERY WELL.

THE COURT: WE'LL GET ALONG FINE; I HAVE NO DOUBT ABOUT IT. BUT KEEP IT TONED DOWN, PLEASE, MR. LEWIN.

(IN OPEN COURT)

THE COURT: MUCH AS YOU MIGHT HAVE THOUGHT SO, LADIES AND GENTLEMEN, THAT WAS NOT OUR MIDMORNING RECESS YET. ALL RIGHT.

MR. LEWIN: I WAS TELLING YOU, LADIES AND GENTLEMEN, OF WHAT CONGRESSMAN HANSEN HAD DONE BEFORE 1981 REGARDING THE EFFORTS TO CHANGE, CORRECT PRACTICES BY THE INTERNAL REVENUE SERVICE AND OTHER GOVERNMENT AGENCIES. AND HE HAD IN FACT -- AND THE EVIDENCE WILL SHOW IT -- TAKEN A STRONG PUBLIC POSITION ON THOSE MATTERS PRIOR TO 1981, INCLUDING EVEN THE PUBLICATION OF A BOOK IN 1980 WHICH RECOUNTED BOTH EPISODES THAT HAD HAPPENED AND WHAT HIS EFFORTS WERE GOING TO BE MADE IN THE FUTURE IN THAT REGARD. AND IN 1981, THE EVIDENCE WILL SHOW HE INTRODUCED LEGISLATION AIMED AT THAT GOAL, AS WELL. AND IN THE PROCESS, HE DISCUSSED THAT WITH COLLEAGUES, WITH FRIENDS, WITH OTHERS, WHO KNEW HIS PUBLIC POSITION AND ON WHOM HE COULD COUNT FOR ASSISTANCE.

NOW, THE EVIDENCE WILL SHOW -- AND ONE OF THE

GOVERNMENT WITNESSES WILL BE A MAN BY THE NAME OF CARL MCAFEE, WHO MR. COLE HAS REFERRED TO. MR. MCAFEE, THE EVIDENCE WILL SHOW, DID NOT MEET MR. HANSEN IN 1981 AND GIVE HIM A LOAN. MR. MCAFEE MET CONGRESSMAN HANSEN SOON -- IN EARLY 1980, BECAUSE THE EVIDENCE WILL SHOW THAT IN 1979 CONGRESSMAN HANSEN, ON HIS OWN, ATTEMPTING TO ASSIST IN RESOLVING THE PROBLEM OF THE HOSTAGES IN IRAN, FLEW TO TEHRAN, VISITED THERE WITH HOSTAGES, WENT THERE AGAIN IN DECEMBER OF 1979. AND THERE WAS A SUBSTANTIAL AMOUNT OF DISCUSSION IN THE PRESS ABOUT HIS VISITS AND HIS EFFORTS AT THAT TIME. AND MR. MCAFEE, AN ATTORNEY IN VIRGINIA, WHO WAS REPRESENTING AT LEAST ONE OF THE FAMILIES OF A HOSTAGE IN TEHRAN, CONTACTED MR. HANSEN. HE HAD NOT KNOWN MR. HANSEN PREVIOUSLY. HE CONTACTED CONGRESSMAN HANSEN BECAUSE HE WANTED CONGRESSMAN HANSEN'S ASSISTANCE IN TRYING TO CONTACT THE HOSTAGE WHO WAS BEING HELD IN TEHRAN.

AND THERE ENSUED, THE EVIDENCE WILL SHOW, FROM 1979 ON, VARIOUS CONTACTS BETWEEN MR. MCAFEE AND CONGRESSMAN HANSEN IN WHICH MR. MCAFEE WAS ATTEMPTING TO GAIN CONGRESSMAN HANSEN'S ASSISTANCE ON BEHALF OF THIS HOSTAGE AND THE FAMILY OF THE HOSTAGE. THE HOSTAGE'S NAME WAS TIMM -- OR THE MOTHER OF THE HOSTAGE WAS A MRS. TIMM, AND MR. MCAFEE WAS REPRESENTING THAT LADY, AND, IN FACT, WENT TO TEHRAN WITH CONGRESSMAN HANSEN'S ASSISTANCE.

SUBSEQUENT TO THAT TIME, AND AS A RESULT OF DISCUSSIONS, IT DEVELOPED THAT, AGAIN, POLITICAL PHILSOPHIES WERE SIMILAR. AND IN 1981, WHEN CONGRESSMAN HANSEN'S EFFORTS WITH REGARD TO TAXPAYER REFORM WERE REALLY BEGINNING TO GROW AND HE CONTEMPLATED THAT THERE WOULD BE SOME NEED FOR SUBSTANTIAL FUNDS IN THAT REGARD, FOR AN EFFORT TO REACH THE PUBLIC BY DIRECT MAIL AGAIN, BY SENDING OUT LETTERS TO THE PUBLIC, HE CONTACTED MR. MCAFEE AND ASKED HIM FOR A LOAN -- NOT FOR PERSONAL PURPOSES, BUT IN FACT A LOAN TO BE USED TO PUBLICIZE THE BOOK HE HAD WRITTEN AND THE EFFORTS HE WAS MAKING IN THAT REGARD. AND THE EVIDENCE WILL SHOW THAT THAT LOAN WAS GIVEN BY MR. MCAFEE.

AGAIN, MR. COLE HAS TALKED ABOUT VARIOUS OTHER THINGS HAVING TO DO WITH THAT LOAN THAT MR. MCAFEE MAY HAVE DONE WITH REGARD TO THAT BANK LOAN. THEY HAVE NOTHING TO DO WITH CONGRESSMAN HANSEN, AND THE EVIDENCE WILL SHOW THAT CONGRESSMAN HANSEN DIDN'T HAVE THE SLIGHTEST KNOWLEDGE OF ANY OF THAT. ALL THAT HE KNEW WAS THAT MR. MCAFEE, WHO HAD A SIMILAR POLITICAL POSITION AND ENDORSED HIS VIEWS AS EXPRESSED IN THE BOOK, WAS PREPARED TO LEND $25,000 FOR THAT PURPOSE.

AND AS 1981 CONTINUED, THERE WAS MORE NEED FOR FUNDS. AND THERE APPEARED TO BE A GREATER NEED FOR FUNDS AS THE YEAR WORE ON. THE EFFORT STILL -- THE DIRECT MAIL CAMPAIGN STILL HAD NOT BEGUN, BUT IT APPEARED THAT IT WOULD SOON BEGIN. AND AGAIN, CONGRESSMAN HANSEN SOUGHT ANOTHER $60,000 LOAN FOR THAT PURPOSE, AND RECEIVED IT, AND ULTIMATELY SOUGHT A $50,000

LOAN, AGAIN FOR THAT PURPOSE, IN NOVEMBER OF 1981.

THERE WERE THREE LOANS IN 1981, AND THE THREE LOANS WHICH WERE MADE TO CONGRESSMAN HANSEN PERSONALLY, TO HIS SIGNATURE, WERE NOT REPORTED IN THE FORM FILED IN MAY OF 1982. THE EVIDENCE WILL SHOW, HOWEVER, THAT BY MAY OF 1982 THE $135,000 THAT CONGRESSMAN HANSEN HAD BORROWED FROM MESSRS. MCAFEE, ROGERS AND MEADE HAD ALL BEEN TRANSFERRED -- AND YOU WILL SEE IT IN THE LEDGERS, YOU'LL SEE IT IN THE RECORDS -- HAD BEEN TRANSFERRED TO AN ORGANIZATION CALLED THE ASSOCIATION FOR CONCERNED TAXPAYERS. ANOTHER PIECE OF THE JIGSAW PUZZLE THAT MR. COLE HASN'T MENTIONED.

THE ASSOCIATION FOR CONCERNED TAXPAYERS WAS FORMED -- WAS A CORPORATION, OR SUBSIDIARY OF A CORPORATION THAT WAS FORMED IN LATE 1981. AND A DIRECT MAIL CAMPAIGN, COSTING A VERY GREAT AMOUNT OF MONEY, SUBSTANTIALLY IN EXCESS OF $125,000, WAS SENT OUT IN EARLY 1982. AND THE EVIDENCE WILL SHOW THAT BY MAY OF 1982, THERE WAS NO QUESTION WHATEVER ABOUT THE FACT THAT THAT $135,000 -- AND THAT'S AN IMPORTANT FIGURE, $135,000 -- AND IT'S THERE IN THE DOCUMENTS -- WAS LOANED IN TURN BY GEORGE HANSEN, CONGRESSMAN GEORGE HANSEN, TO THE ASSOCIATION FOR CONCERNED TAXPAYERS FOR ITS DIRECT MAIL CAMPAIGN. SO THE EVIDENCE WILL SHOW YOU THAT THAT AMOUNT OF MONEY THAT WAS BORROWED WAS NOT FOR PERSONAL USE AS OF MAY OF 1982, BUT IN FACT HAD BEEN USED FOR THE PURPOSE OF THE ORGANIZATION THAT CONGRESSMAN HANSEN FORMED AND, INTERESTINGLY

ENOUGH, THAT HE LISTED ON HIS 1982 ETHICS IN GOVERNMENT ACT FORM AS BEING THE PRESIDENT OF. THERE'S A LINE ON THERE THAT TALKS ABOUT ORGANIZATIONS, AND RIGHT ON THERE IT SAYS THAT HE'S THE PRESIDENT OF THE ASSOCIATION FOR CONCERNED TAXPAYERS.

AND I THINK THE EVIDENCE WILL PROVE BEYOND ANY SHADOW OF A DOUBT THAT THE MAILINGS WERE MADE, THE INFORMATION WAS SENT OUT, AND THAT THAT MONEY WAS NEEDED TO BE ABLE TO MAKE THAT EFFORT WHICH CONGRESSMAN HANSEN DID IN 1982 -- I'M SORRY. IN 1981 AND EARLY 1982.

THERE'S ANOTHER PIECE OF THE JIGSAW PUZZLE WHICH -- I'VE PROBABLY GONE TOO LONG ALREADY. ANOTHER PIECE OF THE JIGSAW PUZZLE THAT I HAVE TO TELL YOU ABOUT AT THE OUTSET BECAUSE IT HAS BEEN OMITTED AND IT IS SO IMPORTANT THAT I DON'T THINK THE TRIAL CAN BEGIN WITHOUT IT, AND THAT IS: WHAT ACTUALLY BEGAN -- HOW THIS CASE ACTUALLY BEGAN, AND WHAT CONGRESSMAN HANSEN'S REACTIONS TO IT HAVE BEEN. THE EVIDENCE WILL SHOW THAT ON MARCH 31 OF 1981, JUST ABOUT APRIL FOOLS' DAY, I THINK SOME OF THE WITNESSES CAN CLASSIFY IT AS -- MR. HUNT IN HIS OFFICE IN DALLAS RECEIVED WHAT IS IN A CERTAIN SENSE AN ANONYMOUS LETTER. IT'S A TWO-PAGE LETTER SIGNED BY A PSEUDONYM, SOMEBODY WHO DOESN'T EXIST. NOBODY COULD TRACK HIM DOWN AT THE TIME -- WHICH BEGINS WITH THE WORDS:

"DEAR MR. HUNT: DURING JANUARY OF 1979 YOU GAVE AN $87,000 BRIBE TO REPRESENTATIVE GEORGE HANSEN OF IDAHO. TO BE MORE SPECIFIC, THE PAYOFF WAS HANDLED AS FOLLOWS:" AND

THEN THE LETTER GOES ON TO DESCRIBE THAT SILVER TRANSACTION THAT MR. COLE HAS TOLD YOU ABOUT, AND THAT THE DOCUMENTS ESTABLISH; THERE'S NO QUESTION ABOUT IT. THERE WAS A SILVER COMMODITIES TRANSACTION IN WHICH $87,000 WAS MADE. BUT THE LETTER SAID THAT WAS A BRIBE THAT WAS PAID BY MR. HUNT TO CONGRESSMAN HANSEN.

AND THE LETTER WENT ON TO SAY TO MR. HUNT: WELL, WE JUST DON'T WANT TO TELL ANYBODY ABOUT THIS BRIBE. WHAT WE WOULD LIKE IS A $440,000 LOAN FOR 120 DAYS. A BLACKMAIL LETTER. A LETTER THAT SAID "PAY US 440,000 OR WE'LL TELL THE AUTHORITIES THAT YOU BRIBED CONGRESSMAN HANSEN." THIS WAS IN THE END OF MARCH OF 1981.

THE EVIDENCE WILL SHOW THAT WHEN THAT LETTER ARRIVED AT MR. HUNT'S OFFICE, HE REALLY DIDN'T KNOW WHAT TO DO WITH IT. HE GAVE IT TO HIS LAWYER. AND THE EVIDENCE WILL SHOW THAT LAWYER CALLED UP MR. HANSEN, CONGRESSMAN HANSEN, AND SAID, "LOOK, WE'VE RECEIVED A LETTER THAT TALKS ABOUT AN $87,000 BRIBE THAT WAS GIVEN BY MR. HUNT TO YOU. WHAT SHOULD WE DO ABOUT IT?" AND THE VERY FIRST THING THAT CONGRESSMAN HANSEN SAID AND THAT HE INSISTED ON THROUGHOUT THAT NEXT WEEK WAS: "THIS HAS TO BE TAKEN IMMEDIATELY TO THE ATTORNEY GENERAL OF THE UNITED STATES." AND HE GOT ON THE PHONE, THE EVIDENCE WILL SHOW, AND HE CALLED UP THE ATTORNEY GENERAL OF THE UNITED STATES, AND HE SAID, "I WANT TO COME OVER AND REPORT THAT THERE'S BEEN A BLACKMAIL LETTER THAT WAS SENT TO

MR. HUNT ABOUT AN $87,000 SILVER TRANSACTION." AND HE WENT OVER WITH SOMEBODY FROM HIS STAFF AND WITH HIS LAWYER FROM IDAHO AND WITH MR. HUNT'S LAWYER, AND THEY HAD A MEETING WITH THE SECOND-RANKING PERSON -- THE ATTORNEY GENERAL WAS TOO BUSY AND HE SAID, "MEET MR. RUDOLPH GIULIANI", WHO IS THE SECOND PERSON IN THE DEPARTMENT OF JUSTICE - "MEET WITH HIM AND TELL IT TO HIM." AND MR. HANSEN, CONGRESSMAN HANSEN, WENT OVER THERE AND HE TOLD THEM IN GREAT DETAIL, THE EVIDENCE WILL SHOW, ABOUT THIS ENTIRE SILVER TRANSACTION.

AND, IMMEDIATELY, THE ASSOCIATE ATTORNEY GENERAL SAID, "WELL, WE'LL SEND OVER SOME FBI AGENTS TO INTERVIEW YOU SOME MORE." AND FBI AGENTS CAME OVER, AND ULTIMATELY MR. WEINGARTEN AND MR. COLE WENT OVER. THEY ALL INTERVIEWED HIM, AND HE TOLD THEM THE WHOLE STORY. HE TOLD THEM ABOUT THE WHOLE TRANSACTION. HE TOLD THEM ABOUT THE SILVER LOANS; HE TOLD THEM ABOUT THE SOYBEANS. THE EVIDENCE WILL SHOW THAT THERE WAS NOTHING AT THAT POINT THAT CONGRESSMAN HANSEN DIDN'T ANSWER WITH REGARD TO THESE TRANSACTIONS. HE TOLD THEM WHAT HAD HAPPENED.

AND HER HONOR WILL INSTRUCT YOU, I BELIEVE, AT THE END -- I TRUST -- THAT CONSCIOUSNESS OF INNOCENCE -- THAT YOU CAN TAKE INTO ACCOUNT -- JUST AS MR. COLE SAID, USE YOUR COMMON SENSE -- WHETHER A GUILTY PERSON WHO WAS TRYING TO HIDE A TRANSACTION SUCH AS THE SOYBEAN TRANSACTION--SUCH AS THE LOAN RESULTING FROM THE SOYBEAN TRANSACTION, SUCH AS THE

SILVER TRANSACTION, SUCH AS ANY OF THESE TRANSACTIONS, WOULD IN FACT HAVE SAID IMMEDIATELY AND UNHESITATINGLY, "WHAT WE'VE GOT TO DO IS GO TO THE ATTORNEY GENERAL OF THE UNITED STATES AND REPORT TO HIM IN FULL."

AS I SAID, I THINK I HAVE OVERUSED MY TIME IN TERMS OF TRYING TO OUTLINE FOR YOU OTHER PIECES OF THE JIGSAW PUZZLE AND HOW THIS ENTIRE CASE SHOULD BE VIEWED BY YOU WHEN ALL THE EVIDENCE IS IN.

I SUBMIT TO YOU THAT YOU WILL HEAR FROM THE JUDGE, AS YOU HAVE ALREADY HEARD, THAT A DEFENDANT HAS A PRESUMPTION OF INNOCENCE; THAT YOU ARE ONLY ENTITLED TO CONVICT A -- OR FIND A DEFENDANT GUILTY IF YOU FIND HIM GUILTY BEYOND A REASONABLE DOUBT. AND I SUBMIT TO YOU THAT ON ALL THE EVIDENCE, WHAT THE EVIDENCE WILL SHOW IS THAT YOU COULD RETURN NO VERDICT AT THE END OF THIS CASE OTHER THAN A VERDICT OF NOT GUILTY.

THANK YOU.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE ARE GOING TO TAKE OUR MIDMORNING RECESS AT THIS TIME, HAVING CONCLUDED THE OPENING STATEMENTS OF COUNSEL. AND IT WILL BE A TEN-MINUTE RECESS. I WOULD ASK THAT YOU, OF COURSE, CONTINUE NOT TO DISCUSS THE CASE AMONG YOURSELVES OR WITH ANYONE.

TEN MINUTES, PLEASE.

(SHORT RECESS TAKEN FROM 11:13 A.M. UNTIL 11:22 A.M.)

:: :: ::

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - x

UNITED STATES OF AMERICA :

VS. : CRIMINAL ACTION NO. 83-75

GEORGE VERNON HANSEN, :

DEFENDANT : VOLUME NO. 3

- - - - - - - - - - - - - - - - - - x

WASHINGTON, D. C.

WEDNESDAY, MARCH 21, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 9:30 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDNAT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

CONTENTS

WITNESS NAME	DIRECT	CROSS	REDIRECT	RECROSS
JAMES M. REED	3	17	26	28
DAVID R. SCOTT	33,43	55	77	
DAVID R. SCOTT	37 (Voir Dire)			
NELSON BUNKER HUNT	78	117	146	153
OWEN NICHOLS	160			

EXHIBITS

NUMBER	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S NOS. 4A, B, C & D		7
GOVERNMENT'S NO. 5A		11
GOVERNMENT'S NO. 5B		15
GOVERNMENT'S NO. 5C		16
GOVERNMENT'S NO. 5D		17
GOVERNMENT'S NO. 58	28	
GOVERNMENT'S NO. 1		44
GOVERNMENT'S NO. 2		45
DEFENDANT'S NO. 1	61	63
GOVERNMENT'S NO. 15		102
GOVERNMENT'S NOS. 20 & 22		103
GOVERNMENT'S NO. 23		104
GOVERNMENT'S NOS. 26A & B		106
DEFENDANT'S NO. 2	132	133
DEFENDANT'S NO. 3	156	

PROCEEDINGS

(EARLIER PROCEEDINGS DURING THE DAY ARE NOT TRANSCRIBED IN THIS VOLUME.)

(JURY AND DEFENDANT PRESENT)

JAMES M. REED

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING.

THE WITNESS: GOOD MORNING.

MR. WEINGARTEN: YOUR HONOR, THE GOVERNMENT WOULD LIKE TO BEGIN ITS PRODUCTION OF EVIDENCE BY READING INTO THE RECORD A STIPULATION, MARKED STIPULATION NO. 1.

"STIPULATION NO. 1: IT IS HEREBY AGREED AND STIPULATED BETWEEN THE UNITED STATES AND THE DEFENDANT, GEORGE V. HANSEN, THAT GEORGE V. HANSEN HAS SERVED AS A CONGRESSMAN FROM THE SECOND DISTRICT OF IDAHO FROM JANUARY 3, 1965, TO JANUARY 2, 1969, AND FROM JANUARY 3, 1975, TO THE PRESENT. RESPECTFULLY SUBMITTED," AND IT IS SIGNED BY THE PARTIES.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, A STIPULATION IS AN AGREED STATEMENT BETWEEN COUNSEL WHICH YOU MAY CONSIDER AS UNDISPUTED EVIDENCE.

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q YOUR NAME, SIR?

A JAMES M. REED.

Q SPELL YOUR LAST NAME, PLEASE?

A R-E-E-D.

Q HOW ARE YOU EMPLOYED, SIR?

A I'M AN FBI AGENT.

Q AND HOW LONG HAVE YOU BEEN AN FBI AGENT?

A IT WILL BE 15 YEARS THIS FALL.

Q AND WHERE ARE YOU PRESENTLY ASSIGNED?

A THE WASHINGTON FIELD OFFICE, IN WASHINGTON.

Q MR. REED, PURSUANT TO MY REQUEST, DID YOU GO UP TO CAPITOL HILL AND RETRIEVE CERTAIN DOCUMENTS?

A YES, I DID.

Q AND PLEASE EXPLAIN TO THE LADIES AND GENTLEMEN OF THE JURY WHAT YOU DID.

MR. LEWIN: COULD WE HAVE A DATE ON THAT, YOUR HONOR?

THE COURT: WELL, I AM CONFIDENT WE WILL GET TO THAT. YOU'RE RIGHT; WE WILL NEED A DATE EVENTUALLY.

THE WITNESS: PURSUANT TO YOUR REQUEST, I TRAVELED TO CAPITOL HILL ON MARCH THE 13TH, AND I WENT TO THE ROOM 1036 IN THE LONGWORTH BUILDING. THAT IS THE OFFICE OF THE CLERK, OFFICE OF RECORDS AND REGISTRATION. AND THERE, THEY KEEP THE FILINGS OF THE FINANCIAL DISCLOSURE STATEMENTS.

BY MR. WEINGARTEN:

Q ALL RIGHT. AND DID YOU MAKE ANY REQUEST ONCE YOU ARRIVED THERE?

A YES. I ASKED AN EMPLOYEE NAMED BARBARA BUSH EXACTLY HOW YOU ACCESS THE RECORDS, AND SHE EXPLAINED THAT THEY HAD A FILING SYSTEM, AND YOU LOOK UP THE NAME, AND FROM THE NAME YOU CAN OBTAIN THE MICROFILM NUMBER, AND IT LISTS ALSO WHERE ON THE MICROFILM THIS INFORMATION IS LOCATED. AND I FILLED OUT A FORM FOR FOUR YEARS, FOR THE YEARS '78, '79, '80 AND '81.

Q AND WHOSE FORMS DID YOU REQUEST?

A CONGRESSMAN GEORGE V. HANSEN.

Q AND WAS THAT AGAIN PURSUANT TO MY REQUEST?

A YES, IT WAS.

Q AND DID YOU MAKE THE REQUEST AS JOE CITIZEN, OR AS AN FBI AGENT?

A I DIDN'T IDENTIFY MYSELF, BUT THEY DO HAVE A FORM WHERE YOU WRITE YOUR OCCUPATION, AND I PUT "FBI AGENT". BUT I DIDN'T -- I JUST WENT IN AS ANY CITIZEN WOULD AND I FILLED OUT THE FORM. AND I'M NOT SURE SHE EVEN NOTICED WHERE I WAS EMPLOYED.

Q ALL RIGHT. AND PURSUANT TO YOUR REQUEST, WHAT HAPPENED?

A SHE PRODUCED THE MICROFILMS; THEY ARE STORED RIGHT THERE, ONE CASSETTE FOR EACH YEAR. AND I TOOK IT OVER TO -- THEY HAVE WHAT IS CALLED A KODAK STARVIEW PRINTER RIGHT THERE. AND I PUT IT IN THE MACHINE, AND I FOUND CONGRESSMAN HANSEN'S FILING FOR EACH YEAR.

AND THE MACHINE IS A PRINTER, AS WELL AS A READER, SO WHENEVER I GOT THE PARTICULAR PAGES THAT I WANTED, I WOULD JUST PRESS A BUTTON AND IT WOULD MAKE A -- IT WOULD PRINT A COPY OF IT. AND I OBTAINED THREE PAGES FOR '78 AND THREE FOR '79, TWO FOR '80 AND '81.

Q AND WERE YOU ABLE TO RETAIN THESE COPIES AND WALK AWAY WITH THEM?

A YES, I WAS. YOU PAY 10 CENTS PER PAGE, SO I GOT A TOTAL OF TEN COPIES, WAS ONE DOLLAR.

Q AND DID THE FBI PICK UP THE COST OF THE COPIES?

A YES.

Q O.K. MR. REED, I WOULD LIKE TO APPROACH WITH GOVERNMENT'S EXHIBITS 4-A, B, C AND D. THEY HAVE BEEN PREVIOUSLY MARKED, YOUR HONOR.

THE COURT: ALL RIGHT.

BY MR. WEINGARTEN:

Q I HAND YOU, SIR, WHAT HAS BEEN MARKED GOVERNMENT'S EXHIBITS 4-A, B, C AND D, WITH A COVER STATEMENT, AND SEE IF YOU CAN IDENTIFY THEM.

A YES.

Q AND WHAT ARE THEY, SIR?

A THESE ARE THE ITEMS I PICKED UP AS PREVIOUSLY EXPLAINED.

Q AND HOW DO YOU KNOW THAT?

A BECAUSE OF MY INITIALS. I HAVE THEM DATED AND INITIALED ON THE BACK.

Q AND AGAIN, WHAT ARE THEY?

A THESE ARE THE FILINGS FOR THE YEARS 1978 THROUGH 1981, THE FINANCIAL DISCLOSURE STATEMENTS FILED BY CONGRESSMAN GEORGE V. HANSEN.

Q ALL RIGHT.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE AT THIS POINT, YOUR HONOR, GOVERNMENT'S EXHIBITS 4-A, B, C AND D.

THE COURT: WITHOUT OBJECTION?

MR. LEWIN: NO OBJECTION, YOUR HONOR.

THE COURT: THEY ARE IN EVIDENCE, WITHOUT OBJECTION.

(GOVERNMENT'S EXHIBITS 4-A, B, C AND D WERE RECEIVED IN EIVDENCE)

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

BY MR. WEINGARTEN:

Q MR. REED, IS THERE A PLACEMENT FOR A SIGNATURE IN THOSE FORMS?

A YES, THERE IS.

Q ON EACH AND EVERY ONE OF THOSE FORMS?

A YES. FOR EACH YEAR.

Q AND WHOSE SIGNATURE -- OR WHAT WORDS APPEAR ON THE SIGNATURE FORM?

A GEORGE HANSEN.

MR. WEINGARTEN: YOUR HONOR, AT THIS TIME I WOULD LIKE TO PUBLISH STIPULATION NO. 2.

THE COURT: YES, SIR.

MR. WEINGARTEN: "IT IS HEREBY AGREED AND STIPULATED BETWEEN THE UNITED STATES AND THE DEFENDANT, GEORGE V. HANSEN, THAT THE SIGNATURE ON THE ATTACHED ETHICS IN GOVERNMENT ACT FORMS FOR THE YEARS 1978, 1979, 1980 AND 1981 IS THE SIGNATURE OF GEORGE V. HANSEN. RESPECTFULLY SUBMITTED," AGAIN, THE PARTIES.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, AGAIN, THE SAME INSTRUCTION WILL APPLY TO EACH AND EVERY STIPULATION WHEN IT IS PHRASED AS SUCH, THAT THIS IS A STIPULATION. IT IS UNDISPUTED EVIDENCE, AND YOU MAY CONSIDER IT AS SUCH.

MR. WEINGARTEN: MAY I APPROACH THE WITNESS AGAIN?

THE COURT: YES. IT WON'T BE NECESSARY TO ASK EACH TIME IF YOU CAN APPROACH THE WITNESS. WE WILL SAVE A GREAT DEAL OF TIME IN THAT REGARD.

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

BY MR. WEINGARTEN:

Q AGENT REED, ON THE FIRST STATEMENT ATTACHED THERETO, THE STATEMENT FOR 1978, IS THERE A PLACE FOR LIABILITIES TO BE LISTED?

MR. LEWIN: YOUR HONOR, THE DOCUMENT SPEAKS FOR ITSELF. I DON'T THINK THE WITNESS HAS TO GO AND LIST WHAT IS ON THE DOCUMENT. IT IS IN EVIDENCE. IF MR. WEINGARTEN WANTS TO SHOW IT TO THE JURY, I'M SURE HE CAN DO IT.

MR. WEINGARTEN: ALL RIGHT.

THE COURT: THE DOCUMENT IS, OF COURSE, IN EVIDENCE, BUT HE CAN FOCUS ON CERTAIN MATTERS OF IT.

THE WITNESS: YES, THERE IS.

BY MR. WEINGARTEN:

Q AND IS THERE ANYWHERE LISTED ON THAT FORM A $50,000 LOAN FROM THE DALLAS NATIONAL BANK?

A NO, THERE IS NOT.

Q WOULD YOU PLEASE TURN TO THE NEXT YEAR. FOR THE YEAR 1979, THE FORM THAT YOU PICKED UP, IS THERE A PLACE FOR TRANSACTIONS?

A YES, THERE IS.

Q AND IS THERE ANYWHERE IN THAT FORM AN $87,000 SILVER TRANSACTION LISTED?

A NO, THERE IS NOT.

Q AND WOULD YOU PLEASE TURN TO THE NEXT DISCLOSURE FORM, FOR THE YEAR 1980. AND ON THE 1980 FORM, IS THERE A PLACE LISTED FOR LIABILITIES?

A YES, THERE IS.

Q AND IS THERE ANYWHERE LISTED A $61,000 LOAN FROM NELSON BUNKER HUNT?

A NO, THERE IS NOT.

Q ALL RIGHT. AND WOULD YOU FINALLY TURN TO THE DISCLOSURE FORM FOR THE YEAR 1981. AND, MR. REED, IS THERE A PLACE LISTED FOR LIABILITIES?

A YES.

Q IS THERE A LOAN LISTED FOR $25,000 FROM A MAN NAMED

MCAFEE AND ROGERS?

A NO, THERE IS NOT.

Q IS THERE A LOAN FOR $50,000 FROM A MAN NAMED MEADE?

A THERE IS NOT.

Q IS THERE A LOAN FOR $60,000 FROM A MAN NAMED MCAFEE AND ROGERS?

A NO, THERE IS NOT.

Q MR. REED, PURSUANT TO MY INSTRUCTIONS, WHAT HAPPENED TO THOSE FORMS?

A PURSUANT TO YOUR INSTRUCTIONS, YOU ASKED -- LINED OUT CERTAIN SECTIONS ON EACH OF THE FILINGS AND REQUESTED THAT WE HAVE OUR FBI LABORATORY BLOW THOSE UP AND MAKE EXHIBITS OUT OF THEM.

Q ALL RIGHT. FIRST OF ALL, THE FBI LAB, WHERE IS THAT LOCATED?

A THAT'S LOCATED IN THE J. EDGAR HOOVER BUILDING ON NINTH AND PENNSYLVANIA AVENUE.

Q AND YOU SAID "BLOW UP". WHAT DOES THAT MEAN?

A THEY HAVE A PROCESS WHERE THEY CAN PHOTOGRAPH THE FORMS AND EXPAND THEM AND MAKE -- GREATLY EXPAND THE SIZE AND MAKE A 3-BY-4 OR 4-BY-5 FEET EXHIBIT OF THE ITEM.

Q AND PURSUANT TO MY REQUEST AND YOU CARRYING OUT, WAS THAT IN FACT DONE?

A THAT WAS DONE.

Q AND WERE THE PICTURES THAT WERE EVENTUALLY MADE

CHECKED BY YOU TO MAKE SURE THEY CORRESPOND TO THE FORMS THAT ARE SIGNIFIED BY GOVERNMENT'S EXHIBITS 4-A THROUGH D?

A YES, THEY WERE.

MR. WEINGARTEN: YOUR HONOR, AT THIS TIME I WOULD LIKE TO INTRODUCE GOVERNMENT EXHIBIT 5-A AND SHOW IT TO MR. REED.

THE COURT: WOULD YOU SHOW IT FIRST TO MR. LEWIN. THANK YOU.

BY MR. WEINGARTEN:

Q FIRST I WILL SHOW IT TO YOU, MR. REED, AND ASK IF YOU CAN IDENTIFY GOVERNMENT EXHIBIT 5-A.

A YES.

Q AND WHAT DOES IT REPRESENT, PLEASE?

A IT REPRESENTS CERTAIN SECTIONS OF THE 1978 FINANCIAL DISCLOSURE STATEMENT FILED BY CONGRESSMAN GEORGE V. HANSEN.

MR. WEINGARTEN: I MOVE IT INTO EVIDENCE AND REQUEST PERMISSION TO SHOW IT TO THE JURY.

THE COURT: MR. LEWIN?

MR. LEWIN: YOUR HONOR, JUST SUBJECT TO THE OBJECTION WE HAD RAISED BEFORE TRIAL.

THE COURT: SO NOTED.

MR. LEWIN: THANK YOU.

THE COURT: IT IS IN EVIDENCE.

(GOVERNMENT'S EXHIBIT NO. 5-A
WAS RECEIVED IN EVIDENCE)

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

BY MR. WEINGARTEN:

Q AND JUST FOR THIS ONE, MR. REED, PERHAPS YOU CAN HOLD IT AND DESIGNATE OR ILLUSTRATE TO THE JURY WHAT PORTIONS WERE PHOTOGRAPHED.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE ARE GOING TO BE DEMONSTRATING SOME MATTERS TO YOU NOW AND LATER ON DURING THE COURSE OF THE TRIAL. I WOULD ASK THAT IF YOU CANNOT SEE IT, YOU LET US KNOW, AND WE WILL TRY TO POSITION THINGS IN SUCH A MANNER THAT YOU CAN. IF YOU NEED IT BROUGHT CLOSER TO YOU -- AS SOME DAYS WE SEE BETTER THAN OTHER DAYS -- LET US KNOW THAT. WE WANT TO BE CERTAIN THAT YOU SEE IT WHENEVER ANY EVIDENCE COMES INTO THE CASE THAT IS BEING PUBLISHED TO YOU AT THAT TIME.

MR. WEINGARTEN: FOR THE PURPOSE OF THIS EXHIBIT, YOUR HONOR, PERHAPS IF I PUT IT ON THIS EASEL.

THE COURT: I THINK THAT WOULD HELP. WE PARTICULARLY HAVE ONE JUROR WHO IS SEATED DOWN A LITTLE LOWER THAN THE OTHERS BECAUSE WE JUST DON'T HAVE ANY MORE SPACE. AND WE WANT TO MAKE CERTAIN SHE SEES IT, ALSO.

BY MR. WEINGARTEN:

Q ALL RIGHT, MR. REED. JUST GO FROM TOP TO BOTTOM AND EXPLAIN TO THE JURY WHAT PORTIONS OF THE FINANCIAL DISCLOSURE STATEMENT FOR '78 WERE PHOTOGRAPHED. AND PERHAPS WE COULD USE THE POINTER.

THE COURT: OF COURSE.

THE WITNESS: THIS PORTION HERE IS THE VERY TOP OF THE DISCLOSURE STATEMENT FOR THAT YEAR. AND THIS INDICATES -- THIS IS A BREAK LINE, INDICATING THAT WHAT WAS JUST IMMEDIATELY BELOW THAT WAS NOT PHOTOGRAPHED. THIS IS THE SIGNATURE LINE. AND THIS APPEARS NEAR THE BOTTOM OF THE FIRST PAGE.

THEN WE HAVE A BREAK AND WE MOVE OVER TO PAGE 2.

BY MR. WEINGARTEN:

Q EXCUSE ME JUST ONE SECOND.

IS THE PRINTING BELOW THE SIGNATURE LINE ACCURATELY PLACED? IS IT RIGHT BELOW THE SIGNATURE?

A YES. THIS IS RIGHT BELOW THE SIGNATURE, THIS PRINTING, AS IT APPEARS ON THE FILING.

Q AND WOULD YOU READ THAT PORTION, PLEASE?

A YES. "ANY INDIVIDUAL WHO KNOWINGLY AND WILLFULLY FALSIFIES, OR WHO KNOWINGLY AND WILLFULLY FAILS TO FILE THIS REPORT MAY BE SUBJECT TO CIVIL AND CRIMINAL SANCTIONS. SEE 2 U.S.C." -- WHICH IS UNITED STATES CODE -- "SECTION 706 AND 18 U.S.C. SECTION 1001."

THEN AGAIN WE HAVE A BREAK LINE, INDICATING THAT WHAT WAS IMMEDIATELY BELOW THAT WAS NOT PHOTOGRAPHED.

THEN WE MOVE OVER TO SECTION IV, WHICH IS THE LIABILITIES SECTION. AND IT APPEARS ABOUT TWO-THIRDS OF THE WAY DOWN ON THE SECOND PAGE.

THEN THERE'S ANOTHER BREAK, GO TO PAGE 3. AND THIS, IN FACT, IS EVERYTHING WHICH IS ON PAGE 3 OTHER THAN THE -- NO; THAT'S THE WHOLE THING.

Q ALL RIGHT. ON PAGE 3, IS IT CLEAR THAT IT IS A CONTINUATION FROM THE LIABILITIES SECTION OF PAGE 2?

A YES, IT IS.

Q IS THAT A FAIR STATEMENT? AND I SEE SOME BANKS LISTED ON THE BOTTOM OF THAT CHART, AND I SEE SOME NUMBERS TO THE RIGHT. WHAT DO THE NUMBERS SIGNIFY, AGENT REED? WOULD THEY BE EXPLAINED BY THE LIABILITIES SECTION?

A YES.

Q DO THEY RELATE TO THE AMOUNTS OF THE LOANS?

A IT RELATES TO THE AMOUNTS. CATEGORY I IS $1,001 TO $5,000; CATEGORY II IS $5,000 -- IT'S FIVE THOUSAND AND ONE CENT, ACTUALLY.

THE FIRST ONE WOULD BE $1,000.01 TO $5,000. THE SECOND CATEGORY, WHICH IS CATEGORY II, THERE IS $5,000.01 TO $15,000. CATEGORY III IS $15,000.01 TO $50,000. AND CATEGORY IV IS $50,000.01 TO $100,000. AND THERE'S OTHER CATEGORIES: V WOULD BE $100,000.01 TO $250,000; CATEGORY VI IS OVER $250,000.

Q O.K., AGENT REED. AND I WOULD LIKE TO SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED AS GOVERNMENT EXHIBIT 5-B.

NOW THAT I HAVE SHOWN IT TO MR. LEWIN, I WILL SHOW IT YOU, AGENT REED, AND ASK YOU IF YOU CAN IDENTIFY IT.

A YES, I CAN. THIS IS THE ETHICS IN GOVERNMENT ACT

FILING BY CONGRESSMAN HANSEN FOR THE YEAR 1979.

Q ALL RIGHT. AND IS THIS WHAT YOU HAD BLOWN UP?

A YES, IT IS.

Q IN FACT, ARE YOUR INITIALS ON THE BACK OF IT?

A YES. I SAW THEM AS YOU BROUGHT IT OVER.

MR. WEINGARTEN: O.K. I MOVE INTO EVIDENCE GOVERNMENT'S EXHIBIT 5-B, YOUR HONOR.

THE COURT: SAME MATTER, SIR?

MR. LEWIN: THANK YOU.

THE COURT: ALL RIGHT. SO NOTED. IT IS IN EVIDENCE.

(GOVERNMENT'S EXHIBIT NO. 5-B
WAS RECEIVED IN EVIDENCE)

MR. WEINGARTEN: I WOULD BRIEFLY LIKE TO SHOW IT TO THE JURY, IF I MAY, YOUR HONOR.

THE COURT: WOULD YOU LIKE THE OTHER ONE REMOVED, MR. WEINGARTEN? THE MARSHAL WILL HELP YOU. THANK YOU.

BY MR. WEINGARTEN:

Q WHILE THAT IS HAPPENING, I WILL SHOW MR. REED GOVERNMENT EXHIBIT 5-C.

THE COURT: BUT FIRST TO MR. LEWIN?

BY MR. WEINGARTEN:

Q MR. REED, I ASK IF YOU CAN IDENTIFY IT, SIR.

A YES, I CAN.

Q WHAT IS IT?

A THIS IS THE FILING, THE FINANCIAL DISCLOSURE FILING FOR 1981 WHICH WAS WHAT I HAD THEM BLOW UP AT OUR FBI LABORATORY FROM WHAT I PICKED UP AT THE HOUSE OFFICE.

Q JUST TO MAKE SURE, DOES THIS ACCURATELY REFLECT WHAT IS IN GOVERNMENT EXHIBIT 4-C?

A YES, IT DOES.

MR. WEINGARTEN: ALL RIGHT. WE MOVE IT INTO EVIDENCE, YOUR HONOR.

THE COURT: ALL RIGHT. WITH THE SAME MATTER THAT WE DISCUSSED YESTERDAY, MR. LEWIN?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: IT IS IN EVIDENCE.

(GOVERNMENT'S EXHIBIT NO. 5-C
WAS RECEIVED IN EVIDENCE)

MR. WEINGARTEN: I WOULD LIKE TO SHOW IT TO THE JURY.

AND FINALLY, GOVERNMENT EXHIBIT 5-D.

BY MR. WEINGARTEN:

Q MR. REED, IDENTIFY THIS, IF YOU WILL.

A THIS IS THE FINANCIAL DISCLOSURE FILING BY CONGRESSMAN GEORGE V. HANSEN FOR 1981, PORTIONS OF WHICH HAVE BEEN BLOWN UP FROM THE DOCUMENTATION I OBTAINED AT THE OFFICE OF -- THE CLERK'S OFFICE UP ON THE HILL.

Q AND DID YOU CHECK, DOES GOVERNMENT EXHIBIT 5-D OR PORTIONS THEREOF ACCURATELY REFLECT WHAT IS ON EXHIBIT 4-D?

A YES, IT DOES.

MR. WEINGARTEN: MOVE GOVERNMENT 5-D INTO EVIDENCE, YOUR HONOR.

THE COURT: ALL RIGHT. WITH THE SAME REFERENCE TO YESTERDAY'S DISCUSSION, IT IS IN EVIDENCE.

(GOVERNMENT'S EXHIBIT NO. 5-D
WAS RECEIVED IN EVIDENCE)

MR. WEINGARTEN: AND WITH THAT, I THANK YOU, SIR.

THE COURT: ALL RIGHT. CROSS-EXAMINATION, IF ANY.

CROSS-EXAMINAITON

BY MR. LEWIN:

Q I'M SORRY. IS IT MR. REED OR REEVE?

A REED, R-E-E-D.

Q AND JUST -- MR. REED, HAVE YOU BEEN INVOLVED IN THE INVESTIGATION OF THIS CASE IN ANY WAY OTHER THAN THE MINISTERIAL FUNCTIONS THAT YOU HAVE DESCRIBED FOR US?

A I HAVE NOT.

Q AND IT IS YOUR TESTIMONY THAT THE FIRST YOU DID WAS MARCH 13TH, I UNDERSTAND, WHEN MR. WEINGARTEN ASKED YOU TO GET THOSE COPIES.

A THAT'S CORRECT.

Q AND IS IT YOUR TESTIMONY, DID I UNDERSTAND THAT, THAT THESE BLOW-UPS WERE MADE FROM THE MICROFILM COPIES?

A FROM THE COPIES THAT I OBTAINED ON THE -- TECHNICALLY. WE HAD -- THERE WERE PUBLISHED -- THE HOUSE ALSO PUTS OUT

A PUBLISHED STATEMENT, OR A BOOK WHICH HAS ACTUALLY A CLEARER COPY THAN I COULD OBTAIN FROM THOSE STATEMENTS WHICH I OBTAINED. SO, WHAT I DID IS I COMPARED THEM AND MADE SURE THAT THEY WERE THE SAME; AND TO GET A BETTER PICTURE FOR THE LAB, I HAD THEM BLOW UP THOSE.

Q I SEE. SO WHAT YOU WERE TESTIFYING TO WAS REALLY NOT ACCURATE IN THAT SENSE. IT IS NOT THAT YOU WENT -- I THINK MR. WEINGARTEN SAID, "AFTER YOU GOT THE COPIES, DID YOU THEN MAKE THIS BLOW-UP". THAT'S REALLY NOT TRUE. YOU HAD MADE THE BLOW-UP BEFORE YOU GOT THE COPIES.

A NO. THE BLOW-UPS WERE MADE SUBSEQUENT.

Q BUT NOT FROM WHAT YOU GOT.

A NO.

Q NOW, WITH REGARD TO THE BLOW-UPS THAT YOU'VE GOT THERE, MR. REED, MR. WEINGARTEN ASKED YOU WHETHER ON THAT FIRST ONE, UNDER LIABILITIES, WHETHER A $50,000 LIABILITY TO THE DALLAS NATIONAL BANK WAS LISTED. IS THAT CORRECT? DO YOU RECALL THAT QUESTION THAT HE ASKED YOU?

A YES, SIR.

Q AND YOU SAID IT WASN'T.

A CORRECT.

Q IN FACT, NO AMOUNTS ARE LISTED FOR ANY ITEMS ON THAT FORM. ISN'T THAT CORRECT? OH, I'M SORRY. FOR LIABILITIES, AT LEAST, NO AMOUNTS ARE LISTED -- AS AMOUNTS.

A NO. THERE ARE NONE.

Q NONE. SO LET'S JUST LOOK AT THAT FORM AGAIN, IF WE COULD. DIRECTING YOUR ATTENTION TO GOVERNMENT'S EXHIBIT 4-A, THAT FRAGMENT THAT APPEARS AT THE VERY BOTTOM, WHICH IS HEADED "PAGE 3 OF 3", THAT'S THE WAY LIABILITIES ARE LISTED, ISN'T IT, ON THE FORM?

A CORRECT.

Q AND IT IS TRUE, TOO, ISN'T IT, MR. REED, THAT UNTIL MR. WEINGARTEN DIRECTED YOUR ATTENTION TO IT ON THE WITNESS STAND, YOU REALLY DIDN'T KNOW WHAT THOSE ROMAN NUMERALS WERE.

A THAT HAD ME CONFUSED. I HAD RECALLED THAT THERE WAS LIKE A, B, C AND D, AND THOSE WERE THE CATEGORIES. BUT I HAD TO CHECK THE LIABILITIES SECTION TO RECALL THAT IT WAS BROKEN OUT IN ROMAN NUMERALS.

Q O.K. IN THAT FIRST YEAR, THEY WERE ROMAN NUMERALS, RATHER THAN CAPITAL LETTERS.

A THAT MUST BE THE CASE.

Q IF THERE HAD BEEN A REFERENCE TO A LOAN OF $50,000 FROM THE DALLAS NATIONAL BANK, IT JUST WOULD HAVE SAID AT THE BOTTOM OF THAT, IN ADDITION TO THOSE SIX ITEMS ON THERE -- IT WOULD HAVE SAID "DALLAS NATIONAL BANK", IS THAT RIGHT?

A CORRECT.

Q AND ON THE RIGHTHAND SIDE, WHAT WOULD IT HAVE SAID?

A IT WOULD HAVE A ROMAN NUMERAL.

Q WHICH ROMAN NUMERAL?

A IF IT WAS -- THE AMOUNT WAS 50,000, YOU SAY?

Q YES.

A IT WOULD BE --

Q LOOK AT THE PAGE. IT'S ALL RIGHT. I AM NOT TRYING TO TEST YOU. I JUST WANT TO GET THE INFORMATION.

A IF IT WAS 50,000, IT WOULD BE ROMAN NUMERAL III.

Q ROMAN NUMERAL III. SO THEN THERE ARE ALREADY TWO OTHER -- THERE IS THE FIRST SECURITY BANK WITH A ROMAN NUMERAL III AND THE IDAHO STATE BANK WITH A ROMAN NUMERAL III, IS THAT RIGHT?

A CORRECT.

Q SO THAT IF THAT LOAN HAD BEEN REPORTED, IT WOULD HAVE SAID "DALLAS NATIONAL BANK, III", RIGHT?

A CORRECT.

Q ALL RIGHT. NOW, IN FACT, MR. REED, THAT SORT OF FRAGMENTARY DEPICTION OMITS CERTAIN OTHER ENTRIES THAT DO APPEAR ON THE FORM WITH REGARD TO SECTION I, FOR EXAMPLE, WHICH IS INCOME. YOU HAVEN'T COPIED THAT.

A CORRECT.

Q AND IT OMITS WHAT IS UNDER SECTION II. YOU HAVEN'T COPIED THAT IN THAT BLOW-UP.

A CORRECT.

Q NOW, LET'S LOOK AT THE 4-B, IF WE COULD.

I'M SORRY. JUST ONE MORE QUESTION. THAT IS REALLY PORTIONS OF THREE SEPARATE PAGES. IN OTHER WORDS, UP TO THERE IS PART OF -- YOU KNOW, THE SECOND JAGGED LINE, IS PART OF THE

FIRST PAGE, IS THAT RIGHT?

A CORRECT.

Q AND THE THING THAT APPEARS BETWEEN THE JAGGED LINES ABOUT TWO-THIRDS OF THE WAY DOWN THAT IS HEADED "SECTION IV" IS A VERY SMALL FRAGMENT OF THE SECOND PAGE.

A CORRECT.

Q AND THIS IS A WHOLE SEPARATE THIRD PAGE, WHAT APPEARS DOWN AT THE BOTTOM. SO THAT'S A THIRD PAGE.

A CORRECT.

Q ALL RIGHT. COULD WE SEE 4-B, PLEASE?

THE COURT: DO YOU WANT TO SEE 4-B OR 5-B, MR. LEWIN? THE BLOW-UPS ARE 5.

MR. LEWIN: OH, I'M SORRY. FIVE.

BY MR. LEWIN:

Q NOW, 5-B, WHICH IS THE FORM FOR THE FOLLOWING YEAR, FOR 1980, THAT'S ALSO A THREE-PAGE FORM IN ITS ORIGINAL, IS IT NOT?

A CORRECT.

Q AND THE PORTION ABOVE THE FIRST JAGGED LINE IS JUST THE TOP OF THE FIRST PAGE.

A CORRECT.

Q ON THAT FIRST PAGE, THERE ALSO ARE THREE ENTRIES UNDER "INCOME" WHICH YOU HAVE NOT BLOWN UP. IS THAT RIGHT?

A THAT'S CORRECT.

Q AND THEN THERE'S AN ENTRY ON THE FIRST PAGE UNDER

"GIFTS AND REIMBURSEMENTS", UNDER SUBSECTION (A), WHICH YOU HAVE NOT BLOWN UP.

A CORRECT.

Q AND UNDER SUBSECTION (C) THERE ARE TWO ENTRIES WHICH YOU HAVE NOT BLOWN UP.

A YES.

Q ALL RIGHT. NOW, AGAIN, MR. WEINGARTEN ASKED YOU WHETHER UNDER TRANSACTIONS YOU FOUND A SILVER TRANSACTION FOR $87,000 LISTED UNDER ROMAN NUMERAL V. DO YOU RECALL THAT QUESTION?

A YES.

Q IN FACT, IF A SILVER TRANSACTION -- COMMODITIES TRANSACTION HAD BEEN REPORTED, THERE WOULD BE NO AMOUNT LISTED UNDER ROMAN NUMERAL V, WOULD THERE?

A IN THIS YEAR, IT WOULD BE A LETTER.

Q THERE WOULD BE A LETTER FOR THAT YEAR, RIGHT?

A RIGHT.

Q AND IS THERE ANY REQUIREMENT THAT YOU CAN SEE ON THE FORM THAT SAYS THAT IT HAS TO SAY "SILVER TRANSACTION", OR COULD IT SAY "COMMODITIES TRANSACTION" WITH A LETTER?

A ON THIS PARTICULAR FORM, IT DOESN'T SET FORTH HOW --

Q SO YOU DON'T KNOW HOW THE FORM WAS FILLED OUT BY OTHER CONGRESSMEN.

A NO, I DON'T.

Q YOU DIDN'T LOOK AT ANY OTHER CONGRESSIONAL FORM WHEN

YOU WENT UP TO CAPITOL HILL.

A NO, I DID NOT.

Q YOU JUST SAID, "TAKE THESE COPIES AND BRING THEM BACK."

A CORRECT.

Q BUT IT IS TRUE, IS IT NOT, THAT HAD THERE BEEN AN ITEM FOR A COMMODITIES TRANSACTION IN THE AMOUNT OF $87,000, WHAT IT WOULD HAVE HAD WOULD HAVE BEEN A LETTER "D" ON THE RIGHTHAND SIDE?

A THAT'S CORRECT.

Q AND, IN FACT, YOU HAVEN'T COPIED AT ALL ON THAT FORM THE THIRD PAGE, WHICH HAS GOT SIX LIABILITIES WITH CATEGORIES B, C AND D.

A THAT'S CORRECT.

Q O.K. NOW, YOU DID COPY -- MR. WEINGARTEN INSTRUCTED YOU TO COPY THAT SECTION VIII UNDER THERE, WHICH SAYS, "ADDITIONAL INFORMATION"?

A YES.

Q O.K. AND THAT DOES SAY, "ARE YOU AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS BY A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE STANDARDS FOR EXEMPTION?" IS THAT RIGHT?

A RIGHT.

Q DO YOU KNOW WHAT THE THREE STANDARDS FOR EXEMPTION

ARE? I'M JUST ASKING WHETHER YOU KNOW. I DON'T NECESSARILY WANT YOU TO CHECK.

A I KNOW THE CATEGORIES.

Q O.K. BUT THAT QUESTION ASKS WHETHER THERE HAS BEEN ANY ITEM NOT REPORTED BECAUSE IT MEETS THOSE THREE STANDARDS.

A RIGHT.

Q AND THE ANSWER TO THAT WAS "NO."

A "NO."

Q O.K. AND NOW, ON 5-C, THE FORM FOR 1981, PLEASE. UNDER LIABILITIES, THAT'S THE YEAR FOR WHICH MR. WEINGARTEN ASKED YOU WHETHER THERE WAS AN INDICATION OF A $61,000 NOTE, OR A LIABILITY TO NELSON BUNKER HUNT.

A YES.

Q AND IF THAT HAD APPEARED, THE NAME WOULD HAVE BEEN THERE WITH A LETTER, IS THAT RIGHT? IT WOULD NOT HAVE SAID $61,000.

A CORRECT.

Q AND WHAT LETTER WOULD THAT HAVE BEEN?

A "D".

Q "D". AND THERE IS A LOAN ON THERE, IDAHO FIRST NATIONAL BANK, IN THE AMOUNT OF "D".

A YES, THERE IS.

Q AND THEN FINALLY, FOR 5-D -- COULD WE HAVE 5-D UP THERE, PLEASE?

NOW, AS TO THAT, AGAIN, THE PORTION THAT SAYS

"LIABILITIES", IF THERE HAD BEEN A LOAN OUTSTANDING AT THAT POINT, IT WOULD HAVE AGAIN CARRIED A LETTER. LET'S SAY A LOAN IN THE AMOUNT OF EIGHTY -- 25,000 PLUS 60,000 WOULD BE $85,000. IT WOULD CARRY A LETTER "D"?

A CORRECT.

Q AND A LOAN OF $50,000 WOULD CARRY A LETTER "C". IS THAT CORRECT?

A CORRECT.

Q NOW, RIGHT UNDER "LIABILITIES" IS ANOTHER SECTION HEADED "TRANSACTIONS", IS THAT RIGHT, MR. REED?

A YES.

Q AND THEN THERE'S ANOTHER SECTION THAT'S HEADED "POSITIONS".

A CORRECT.

Q COULD YOU JUST READ THAT TO THE JURY? YOU DIDN'T COPY THAT, DID YOU?

A NO.

Q ALL RIGHT. COULD YOU JUST READ THAT TO THE JURY? WHAT DOES IT SAY UNDER "POSITIONS"?

A YOU MEAN THE PARAGRAPH UNDER THERE?

Q YES.

A IT SAYS, "THE IDENTITY OF ALL POSITIONS HELD ON OR BEFORE THE DATE OF FILING DURING THE CURRENT CALENDAR YEAR AS AN OFFICER, DIRECTOR, TRUSTEE, PARTNER, PROPRIETOR, REPRESENTATIVE, EMPLOYEE, OR CONSULTANT OF ANY CORPORATION, FIRM, PARTNERSHIP, OR OTHER BUSINESS ENTERPRISE, ANY NON-PROFIT ORGANIZATION, ANY LABOR ORGANIZATION, OR ANY EDUCATIONAL OR OTHER INSTITUTION."

Q IS THERE AN ENTRY ON THERE ON THE FORM BEFORE YOU?

A YES, THERE IS.

Q AND WHAT IS THAT ENTRY?

A UNDER THE POSITION HEADING IS LISTED AS CHAIRMAN. UNDER THE NAME OF THE ORGANIZATION, IT IS THE ASSOCIATION OF CONCERNED TAXPAYERS.

Q AND THAT IS CONGRESSMAN HANSEN'S FORM FOR THE YEAR 1981?

A YES, IT IS.

MR. LEWIN: I HAVE NO FURTHER QUESTIONS.

THE COURT: REDIRECT, IF ANY.

MR. WEINGARTEN: JUST TWO.

REDIRECT EXAMINATION

BY MR. WEINGARTEN:

Q MR. REED, DO YOU HAVE GOVERNMENT EXHIBITS 4-A THROUGH D?

A YES.

Q WHAT IS THE QUALITY OF THE PAPER OF THOSE EXHIBITS?

A THE QUALITY IS -- IT VARIES.

Q JUST DESCRIBE IT. IS IT REGULAR TYPEWRITER PAPER, OR IS IT A XEROX, WHAT YOU NORMALLY GET FROM A XEROX?

A IT'S WHAT YOU GET FROM A XEROX.

Q ALL RIGHT. FOR PURPOSES OF MAKING PHOTOGRAPHS, DID YOU USE A BOOK FOR TAKING THE PICTURES?

A I'M SORRY?

Q FOR PURPOSES OF THE PHOTOGRAPHING, DID YOU USE OTHER FORMS -- OR DID YOU USE ANOTHER PLACE WHERE THE FORMS ARE KEPT?

A YES.

MR. WEINGARTEN: MAY I APPROACH THE WITNESS?

THE COURT: YES, YOU MAY.

BY MR. WEINGARTEN:

Q WOULD THIS BE -- WOULD YOU IDENTIFY THIS, PLEASE, SIR?

A THIS IS THE FINANCIAL DISCLOSURE REPORTS OF THE MEMBERS OF THE U. S. HOUSE OF REPRESENTATIVES OF THE 97TH CONGRESS, FROM JANUARY 1ST, 1980, TO DECEMBER 31ST, 1980.

Q IS THAT AN EXAMPLE OF THE KIND OF BOOK YOU USED?

A YES. THIS IS WHAT WERE USED. THEY ARE COMPARABLE; THEY ARE, YOU KNOW, FOR THE SAME FILING WHICH THE CONGRESSMAN MADE, WHICH IS PUBLISHED. HERE YOU HAVE A MUCH BETTER QUALITY. AND THIS IS WHAT WAS USED TO HAVE A LAB BLOW-UP.

Q WHERE DOES THAT BOOK COME FROM?

A IT COMES FROM THE HOUSE OF REPRESENTATIVES.

Q ALL RIGHT.

MR. WEINGARTEN: FOR PURPOSES OF IDENTIFICATION, LET'S CALL THAT GOVERNMENT EXHIBIT 58, BECAUSE THE EXHIBITS ARE PREMARKED UP TO 57. BUT WE DON'T MOVE IT INTO EVIDENCE.

THE COURT: ALL RIGHT.

(GOVERNMENT'S EXHIBIT NO. 58 WAS MARKED FOR IDENTIFICATION)

BY MR. WEINGARTEN:

Q MR. REED, DO YOU KNOW ENOUGH ABOUT THIS CASE TO SAY WHETHER OR NOT THE PORTIONS THAT WERE PHOTOGRAPHED, THAT I DIRECTED TO BE PHOTOGRAPHED, CORRESPOND EXACTLY TO THE CHARGES IN THE INDICTMENT?

A I DO NOT.

Q ALL RIGHT. THANK YOU, SIR.

THE COURT: MR. WEINGARTEN, CAN THE CLERK HAVE THE BOOK SO HE CAN PUT NO. 58 ON IT?

MR. WEINGARTEN: YES.

THE COURT: THANK YOU.

MR. WEINGARTEN: NO FURTHER QUESTIONS.

THE COURT: ALL RIGHT. ANYTHING FURTHER, MR. LEWIN?

RECROSS EXAMINATION

BY MR. LEWIN:

Q DO I UNDERSTAND, MR. REED, THAT YOU USED THE PAGES FROM THAT BOOK TO MAKE THE 1980 COPY THAT IS -- THE BLOW-UP THAT'S UP THERE?

A YES.

Q O.K.

MR. LEWIN: AND DOES THE GOVERNMENT HAVE THE SIMILAR VOLUMES FOR THE OTHER YEARS? JUST TWO OTHER VOLUMES. IS

THERE ANOTHER ONE?

MR. WEINGARTEN: THERE MUST BE. MAYBE IT'S DOWNSTAIRS. I CAN GET IT FOR YOU.

MR. LEWIN: I DON'T KNOW.

WHAT WE WOULD PROPOSE, YOUR HONOR, IS THAT IF THAT'S WHAT WAS USED AND THE WITNESS HAS NOW IDENTIFIED THEM, THAT THE BOOKS GO IN EVIDENCE. I MEAN I THINK THE GOVERNMENT SAID THEY ARE NOT PUTTING THEM IN EVIDENCE. WHY NOT PUT THEM IN EVIDENCE?

THE COURT: YOU MEAN THOSE SHEETS OF PAPER FROM WHICH THIS WAS PHOTOCOPIED?

MR. LEWIN: OH, NO, NO. THE ENTIRE BOOK.

THE COURT: THE ENTIRE BOOK MAY, INDEED, NOT HAVE RELEVANCE TO THIS CASE, OR NOT THE ENTIRETY OF THE BOOK. SO THAT UNDER THE CIRCUMSTANCES, IF YOU WANT THOSE PAGES THAT WERE USED FROM WHICH PHOTOGRAPHS WERE MADE, FINE AND GOOD; THAT CAN COME INTO EVIDENCE. BUT I SEE NO RELEVANCE TO THE ENTIRE BOOK.

BY MR. LEWIN:

Q WELL, DID YOU LOOK AT ANY OTHER CONGRESSMEN'S FORMS IN THOSE BOOKS?

A I DID NOT.

THE COURT: DO YOU WISH THOSE PORTIONS TO BE PLACED INTO EVIDENCE, MR. LEWIN? IF SO, WE COULD HAVE THEM MARKED.

MR. LEWIN: WELL, NOT AT THE PRESENT TIME, YOUR HONOR. I DON'T THINK THOSE PARTICULAR PAGES ADD ANYTHING BEYOND WHAT'S THERE. BUT IF THE GOVERNMENT WERE PREPARED TO SAY THAT EITHER FOR COMPARISON PURPOSES OR OTHERWISE, THEY ARE PREPARED TO OFFER THE ENTIRE BOOKS IN EVIDENCE, I THINK --

THE COURT: THEY HAVE NOT OFFERED THEM.

MR. LEWIN: THEY HAVE NOT OFFERED THEM.

THE COURT: ALL RIGHT. ANY FURTHER TESTIMONY FROM THE FBI AGENT? ALL RIGHT.

WE THANK YOU FOR YOUR TESTIMONY. YOU ARE EXCUSED. I WOULD, OF COURSE, ASK THAT YOU NOT DISCUSS IT WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED. ALL RIGHT.

GENTLEMEN, IT IS ABOUT SIX OR SEVEN MINUTES AFTER TWELVE. WE NORMALLY BREAK AT ABOUT 12:15. DO WE HAVE ANY WITNESS WHO COULD BE COMPLETED IN ABOUT TEN OR FIFTEEN MINUTES, OR AT LEAST THE DIRECT EXAMINATION CONCLUDED?

MR. WEINGARTEN: I WOULD SAY 25.

THE COURT: TWENTY-FIVE MINUTES? WHY DON'T WE TAKE OUR LUNCH BREAK AT THIS TIME. WE WILL COME BACK -- ALL RIGHT. WE WILL STILL MAKE IT AT 1:30 TODAY, GIVING YOU A LITTLE EXTRA LEEWAY BECAUSE YOU DIDN'T HAVE THAT LAST NIGHT. WE WILL STILL REMEMBER THAT TODAY. AFTER THIS, DON'T EXPECT IT. 1:30 THIS AFTERNOON, WE WILL CONTINUE WITH THE TESTIMONY IN THIS CASE.

AND PLEASE REMEMBER THAT ALTHOUGH WE HOPE YOU ENJOY YOUR LUNCH WITH FULL BOUNTY, WE WANT YOU TO COME BACK WIDE AWAKE AND READY TO LISTEN TO THE TESTIMONY, WHATEVER IT TAKES IN THAT REGARD, COFFEE OR OTHERWISE.

WE WILL SEE YOU AT 1:30 THIS AFTERNOON. CONTINUE NOT TO DISCUSS THE CASE.

(WHEREUPON, AT 12:07 P.M., THE TRIAL WAS RECESSED, TO RECONVENE AT 1:30 P.M., THE SAME DAY)

AFTERNOON SESSION

THE COURT: Good afternoon. You are going to be ready with your next witness?

MR. LEWIN: Your Honor, could we just have some indication from the government what this witness is going to be testifying to? I don't think it is a name that is familiar. He has nothing to do with any of the events. Is he going to be testifying as an expert of some kind?

THE COURT: Is he testifying as an expert?

MR. WEINGARTEN: Yes. I explained it carefully in the trial brief, I thought.

MR. LEWIN: As an expert on what?

THE COURT: Why don't you come up here, Mr. Lewin, and let's look at the trial brief. Why don't you bring your copy of the trial brief, if you will, gentlemen.

(Bench conference)

THE COURT: Very briefly.

MR. WEINGARTEN: David Scott is the chief counsel of the Office of Government Ethics. The Office of Government Ethics was created by the Ethics in Government Act. A major component of his day-to-day work is to handle the Executive Branch EIGA forms which are identical in substance to the Congressional forms.

THE COURT: So that is essentially his testimony. And what leads it?

MR. WEINGARTEN: What needs to be reported, exceptions, that sort of thing.

THE COURT: Are the rest of the witnesses given a little caption there in your trial brief as to what they may be testifying to or those who may be testifying to any degree of expertise?

MR. WEINGARTEN: The only other possible expert is Owen Nichols, and the grand jury has been turned over on him.

THE COURT: Then let's move ahead.

(End of bench conference)

THE COURT: Let's bring the jury in.

(Jury present at 1:40 p.m.)

THE COURT: All right, ladies and gentlemen, we will continue with the testimony in this case. Counsel may proceed.

MR. WEINGARTEN: Yes, Your Honor. David Scott, please. He should be in the witness room.

Whereupon,

DAVID R. SCOTT

was called as a witness by counsel for the Government and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

THE COURT: Good afternoon, Mr. Scott.

THE WITNESS: Good afternoon, Your Honor.

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. Your full name, sir?

A. David R. Scott.

Q. For the record, spell Scott?

A. S-C-O-T-T.

Q. Where do you live?

A. I live in in Bethesda, Maryland.

Q. What is your profession?

A. I am an attorney.

Q. How long have you been an attorney?

A. Almost 19 years.

Q. How are you presently employed?

A. I am employed by the U.S. Government as chief counsel of the Office of Government Ethics here in Washington, D.C.

Q. How long have you been so employed?

A. Since May of 1980.

Q. Prior to that, how were you employed?

A. As an attorney, I have had, I guess I could call it many jobs. After law school, I was a law clerk to a Supreme Court judge in Pennsylvania. I have practiced privately in Philadelphia for a large law firm named Pepper Hamilton & Sheets. I have been an assistant district attorney and in 1976 I came to Washington to work for the newly formed Public Integrity Section of the Criminal Division of the Department of Justice.

Q. In that capacity, do we know each other?

A. Yes. I met you through that section and working in the criminal division together.

Q. Now, your present job over the last four years, how did that begin? What caused you to have that job?

A. I am the first and only chief counsel of the Office of Government Ethics. The office came into being as a result of the Ethics in Government Act of 1978. The office opened up its doors for business in January of 1979, and first chief counsel, which was me, was hired in May of 1980.

Q. Pursuant to the Ethics in Government Act, generally speaking, what are your duties and responsibilities?

A. In my job?

Q. Yes.

A. Generally speaking, the Office of Government Ethics oversees the Executive Branch ethics program that was created by the Ethics in Government Act. We have many responsibilities, but chief of which are we have to oversee and try to prevent conflicts of interest in the Executive Branch. We have to monitor and review the public disclosure statements required of the Executive Branch.

We have to give advisory opinions on conflicts of interest in ethics laws when asked. We have to take corrective action, if there is an ethics problem, when required. Those are the chief things.

Q. Mr. Scott, to your knowledge, does the financial disclosure requirements of the Executive Branch have a counterpart who are members of Congress?

A. Yes. I should preliminarily say, to answer that question, that the Ethics in Government Act sets up public disclosure for all three branches of the government, the Legislative, the Judicial and the Executive. The counterpart of my office in the Legislative is the House Committee on Standards of Official Conduct.

Q. In your capacity with the Office of Government Ethics, do you have contact with your counterpart on the Hill?

A. Yes, I do.

Q. Are you familiar with House disclosure rules, House, meaning House of Representatives, or Congressional disclosure rules?

A. Yes, I am.

Q. Are you familiar with instructions that the Congress may provide for members as to what the disclosure requirements would be?

A. Yes, I am. I should say parenthetically that each of the branches has instructions for the people who have to fill them out, and we, at the present time, are looking at the House instructions because we are revising our own.

Q. Has that review caused you to become familiar with the House instructions?

A. Yes.

Q. Generally speaking, are you familiar with the disclosure provisions for Congress, for the Ethics in Government Act?

A. Yes, I am.

Q. How would you characterize the substantive difference in disclosure requirements between Executive Branch members and Congressional members?

A. They are virtually identical. As I might say, the Judicial requirements are.

MR. WEINGARTEN: I offer Mr. Scott as an expert on the substance and contents of the Ethics in Government Act.

THE COURT: Any voir dire, Mr. Lewin?

VOIR DIRE EXAMINATION

BY MR. LEWIN:

Q. Mr. Scott, do I understand that you consider yourself an expert on the House, on the Congressional procedures under the Ethics in Government Act?

A. I guess I do. Ultimately, of course, it is for the Court to determine that question.

Q. I am just asking you what you think.

A. Yes.

Q. You think you are an expert in terms of Congressional procedures?

A. Well, yes, I do, for the reasons I have already stated that they are virtually identical with ours.

Q. Well, now what is it that is virtually identical, the procedures are virtually identical?

A. No, I am sorry. I thought your question was in regard to the substantive requirements of the Ethics in Government Act in regard to such things as disclosure.

Q. Well, maybe you better be specific with me because I want to know what the range of your expertise is. That is all.

THE COURT: Do you want him to answer?

MR. LEWIN: Yes.

BY MR. LEWIN:

Q. What is it specifically that you say you are expert in regard to the Congress?

MR. WEINGARTEN: I am going to object. He is not saying he is an expert in anything. I am offering him as an expert to help the Court and jury.

THE WITNESS: I will do my best to try and answer that question and break it down into parts. As I indicated previously, sir, one of the things that the Act calls for is public disclosure. I would characterize myself as an expert in what that public disclosure is for the three branches.

Obviously, I primarily deal with the Executive Branch, but the substantive requirements are virtually identical for the Legislative and the Judicial.

BY MR. LEWIN:

Q. Now, what you mean by substantive requirements is what the form looks like, is that what you mean?

A. No, no. I mean a whole lot more than that. The Act calls for many things. It calls for what to report, how to report it, what is not reportable, and each of the three titles, Titles 1, Title 2 and Title 3 of the Ethics in Government Act in that regard are virtually identical. I feel that I am very knowledgeable in those areas.

Q. In other words what goes on the form?

A. That certainly ends up to be part of it, that is right. The end, the product of the substantive questions is someone writing something down on a form.

Q. On a form. So what you are --

A. The forms, of course, are different, as I am sure you are going to ask me.

Q. I was going to say, what goes on the form is the thing that you are saying you are expert in, what is to be reported on the form for the Executive, Legislative and Judicial Branches.

A. Certainly I think that the provisions are identical. The forms are different. However, I think that that is really ministerial in regard to, if I understand your question, the differences. But you have to follow the instructions on the form, of course.

Q. The reason, though, that you say you are an expert in the Legislative aspect is that the words of the statute you say are virtually identical with regard to the Legislative portion of that, as they are with regard to the Executive?

A. Correct.

Q. So that is what you say makes you an expert, because the law has got the same words?

A. Well, as I say, in addition, certainly everyone, the Legislative Branch, the Executive Branch, the Judicial Branch, all must start and finish with what the law says as apart from the instructions.

However, I think that since I am also familiar with the instructions, and we have the Legislative instructions in our office, we are familiar with what they say, how they differ from ours, and therefore I think I also know about that as well.

Q. But let me concentrate on two other things, though, if you will bear with me, for a moment. One is there are procedures that are different with regard to the Executive, the Legislative and the Judicial, are there not? I am not talking about what goes on the form. I am talking about the procedural provisions.

MR. WEINGARTEN: I am going to respectfully object. That is outside the scope of our proffer. That is outside what we are asking this witness to testify about so it is outside the scope of voir dire.

THE COURT: You are specifically seeking to qualify him as an expert on the substance and content of the Ethics in

Government Act?

MR. WEINGARTEN: Yes.

THE COURT: Which includes disclosure provisions and the instructions?

MR. WEINGARTEN: Yes.

THE COURT: And any other substance and content?

MR. WEINGARTEN: Yes.

THE COURT: Anything further with that narrowed degree of offer?

BY MR. LEWIN:

Q. With regard to disclosure provisions, Mr. Scott, would you agree with me that the regulations or the instructions differ between the Executive, Legislative and Judicial Branches?

A. The instructions, that is correct, they are written in different, certainly they use different words and they all come from the same substantive provisions, as I have indicated, but they are different in that regard.

Q. But they are different?

A. Correct.

Q. Were you involved in any way in formulating the Legislative instructions that the House committee issues?

A. No, sir, I wasn't.

Q. Is it accurate to say, to reflect your testimony, that you really first looked at those now when you are thinking of revising the Executive?

A. No, sir, that is not accurate. Obviously, as I have indicated, there are three separate ethics groups reflecting the separation of powers in this act. Ever since we have come into being, we are aware of what the other branches are doing and so we have had, from time to time, occasion to look at their instructions.

Q. From time to time occasion to look at particular portions of their instructions?

A. Correct.

Q. But in terms of reviewing the entire instructions, was there ever a time prior to the time that you are now revising your instructions that you reviewed the entire instructions on the Congressional side?

A. Yes, because we have revised our instructions before.

Q. I see. So it was to compare what you should do as compared with what the Congress is doing?

A. Yes, we obviously are trying to be aware of what our sister branches of government are doing.

THE COURT: Mr. Lewin, some of this is crossing over into the cross-examination area. Any further on voir dire?

MR. LEWIN: No.

THE COURT: Any objection?

MR. LEWIN: We object because we think the witness is not qualified to testify about the Legislative Branch.

THE COURT: Over objection he does qualify as an expert to testify on the substance and content of the Ethics in Government Act.

Ladies and gentlemen, you will be subsequently given the full instruction as to expert testimony, but essential to say at this time that the Rules of Evidence ordinarily do not permit witnesses who are not qualified as experts to testify as to opinions or conclusions, but the exception is when they have been qualified as experts. You are not bound by the opinion of an expert. It is up to you to decide whether or not you disregard the opinion of the expert in whole or in part, but it is up to you overall to consider the expert's testimony in connection with the other evidence to be developed in the case and give it such weight as, in your judgment, it is fairly entitled to receive.

Mr. Weingarten.

MR. WEINGARTEN: Since we mentioned the Ethics in Government Act, I would like to proffer Exhibit No. 1.

DIRECT EXAMINATION (Resumed)

BY MR. WEINGARTEN:

Q. I would ask you, sir, if you can identify that?

A. Yes, I can. This is a printed copy of the Ethics in Government Act of 1978 as amended. It has been amended four times, most recently last year.

Q. The financial disclosure requirements, have they been amended since the Act was first, I guess, passed in 1978?

A. In any of the branches?

Q. Yes. The Legislative Branch, to your knowledge.

A. The Legislative Branch, no.

MR. WEINGARTEN: We move into evidence Government's Exhibit No. 1.

MR. LEWIN: No objection.

THE COURT: It is now into evidence without objection.

(Whereupon, Government's Exhibit No. 1 was received into evidence).

MR. WEINGARTEN: I now proffer Government's Exhibit No. 2.

BY MR. WEINGARTEN:

Q. I ask you, sir, if you can identify that?

A. Yes. This is a copy of the instructions for completing the financial disclosure statements in terms of the Legislative Branch, members, officers and employees of the Legislative Branch.

Q. So we are perfectly clear, is Government Exhibit No. 2 the instructions that Congress prepares or the instructions that the Executive Branch prepares?

A. This is the instructions that Congress prepares.

MR. WEINGARTEN: We move Government Exhibit No. 2 into evidence.

MR. LEWIN: No objection.

THE COURT: Without objection it also is in evidence.

(Whereupon, Government's Exhibit
No. 2 was received into evidence).

BY MR. WEINGARTEN:

Q. Mr. Scott, is it anywhere indicated in the Ethics in Government Act what the general purpose of the Act is?

A. Yes, there is.

Q. Is there language that explains the purpose of the Act?

A. Yes. Congress, Your Honor, ladies and gentlemen of the jury, right in the beginning the Act put forth a statement of what the ethics in government's purpose is. If I may read it. I am reading from the first page of what is called, "statement", starting at the second sentence and it says, "The purpose of this Act is to preserve and promote public confidence in the integrity of federal officials through financial disclosure, post government employment restrictions and independent investigations of alleged wrongdoing by government officials. The first three titles of the Act provide for financial disclosure by designated officials and employees of the Legislative, Executive and Judicial Branches of the Federal Government." Then it goes on to describe that.

Q. Mr. Scott, generally speaking, what are the categories of items that need be disclosed by federal officials, including congressmen?

A. Okay. Generally speaking, Your Honor, there are six categories of items that need to be disclosed in public disclosure reports. The first would be the income of the government official, the spouse and dependent children, and that basically is income over $100, excluding the government official's salary, government salary.

The second category that requires reporting are gifts received by, I will just limit it to government officials at this point. Those gifts must be reported, and there are, of course, exclusions, the major one being you do not have to report gifts from relatives.

The third category are what is called, by the Act, reimbursements. They are, in effect, expenses, travel related expenses, received by the government official from sources outside of the government. In other words, if the government sends you halfway around the world and pays your expenses and reimburses you, you don't have to list that. But if you go speak to an outside organization and they reimburse you, then you must list that on your disclosure form.

The fourth category are called "holdings". They basically are assets that produce income such as stocks and bonds, if they have a value over $1,000 they must be reported on the public disclosure report. The fifth are liabilities of the government official, and they basically are obligations of the government official over $10,000 that are owed to a source.

The two major exclusions there are, you do not need to report, if you are the government official, your home mortgage. That is obviously an obligation but there is a specific exception to that. You don't have to report your, if you have a loan out on your car or on a boat, if it is over $10,000, and the second major exclusion is loans to relatives. You don't have to report that.

The final category you have to report are transactions which, in effect, are purchases sales and exchanges of real estate stocks and bonds and commodities futures. If you sell or trade in any of those aspects, you have to report those on the public disclosure form.

Q. Mr. Scott, you have mentioned six categories of financial transactions. The Act requires other kinds of disclosure as well, do they not?

A. Yes.

Q. Now, you mentioned the spouse of a public official. Beginning with the general rule, what is obligated in terms of reporting for the wife of a congressman?

A. Generally speaking, it is the same.

Q. Which would be?

A. In other words, the wife of a congressman or the wife of an Executive Branch official, who was required to file, would have to file in all six of those categories that I have mentioned.

THE COURT: Excuse me. Or a husband, I take it?

THE WITNESS: Exactly, Your Honor. That is exactly right. The word the Act uses is spouse and if the government official, which many are women, of course, we would be talking about a man as the spouse in this case.

BY MR. WEINGARTEN:

Q. Is there a specific test for congressmen or the government official to use when he is considering whether or not to report the property in the name of a spouse?

A. Okay. Yes. The best way I can try and answer that question is to say that the general rule is the spouse has to report what the government official does. Again, the spouse, be it husband or wife, it is irrelevant. The major exception to that is that if the spouse, -- is it all right to say wife, Your Honor, in this case.

THE COURT: Surely.

THE WITNESS: Recognizing it is either way.

THE COURT: We will recognize either way your testimony means both.

THE WITNESS: It makes it a little easier for me.

THE COURT: All right.

THE WITNESS: In this case if we are talking about the government official as a man, and the spouse as a wife, the test would be you must report in any of those six categories, except for if the government official met three exemptions, in effect, applied to a particular holding, a liability or transaction, whatever.

Number one is that the government official would have no knowledge of what his wife held in her own right. In other words, if the property was in the wife's name and the government official had no knowledge of what that particular asset or liability was.

The second is described -- and all three of these conditions must apply before it would not be reportable. The second is what is called participation, that the government official, in regard to the wife's assets neither paid for that asset nor did any kind of activity that produced the asset. In other words, let's assume that the wife had stock and it was paid for in effect by the husband, by the government official husband, that is my example, then that test would not be met. The no participation, sometimes called the independence test, would not be met.

The third condition is that the government official can derive no economic benefit from the wife's asset. By that, assuming that the other two tests are met, let's assume that the wife has an asset and the government official neither knows about it nor participated in bringing about the asset, if the government official still derives an economic benefit from it, for example, it is used to support the children of the government official and the wife, then it still must be reported.

It must have all three conditions met before the item would not be reportable.

BY MR. WEINGARTEN:

Q. Is that test in the instructions of Government's Exhibit No. 2?

A. Yes, it is.

Q. Would you turn to page 5. Are they there, if you know?

A. Yes, they are.

Q. I would like to show you, sir, Government's Exhibit No. 3. Mr. Scott, I would like you to take a look at Government's Exhibit No. 3 and determine whether or not it represents an accurate representation of the instructions found in Government's Exhibit No. 2?

A. Yes, it is a summary of what appears on page 5 of the instructions.

MR. WEINGARTEN: Your Honor, we move Government's Exhibit No. 3 into evidence at this point.

MR. LEWIN: Subject to the objection we made prior to trial, Your Honor.

THE COURT: Over objection, it is in evidence.

MR. WEINGARTEN: I would like to publish it to the jury, Your Honor, if I may.

THE COURT: Once again, please don't hesitate to tell us, ladies and gentlemen of the jury, if you are unable to see the exhibit, and similarly for the witness. If it is blocking counsel's view in any way, counsel are free, of course, to move over to the other area so that they can see it. Apparently it is all right.

BY MR. WEINGARTEN:

Q. Mr. Scott, you have gone through the tests, but in real summary fashion, common sense fashion, what is the knowledge test?

A. As I have tried to indicate, the knowledge test is when using the example I have used for the government official as a male and the spouse in this case is the wife, the government official would not know what the wife held in her name or what liability the wife had.

Q. Knowledge?

A. Knowledge, yes. In other words, it is trying to get at the proposition that if you know what the wife has, then you don't meet the test.

Q. What about independence test?

A. Okay, the independence test is what I also call the participation. That is if in fact, in sort of a very common sense way, the government official helped produce the asset in the wife's name, then the independence test is not met.

In other words, if by either providing the money for it or working for it, that is what is meant by that word "activities", then the independence test would not be met either.

Q. Mr. Scott, if the public official participates in the transaction, must he report it?

A. Yes.

Q. What about benefit test?

A. The benefit test is when the government official, even though the asset is in the wife's name, receives some kind of benefit from the asset. For example, like maintaining the home or helping support the children, then that is an economic benefit and, again, the asset must be reported.

Q. Again, if the public official winds up with the money, must he report the transaction?

A. Yes.

Q. Mr. Scott, does this test apply to all spouses?

A. Yes, it does.

Q. Are there any exceptions? What about a spouse who doesn't live with her husband?

A. There is one category of spouse again that the Act provides for, where if the spouse, and let's continue the example of the wife of a male government official, is living separate and apart from the government official and intending to get a divorce or a permanent separation, then no information of these categories need be reported.

Q. What is the standard again?

A. That the spouse, in the example we have used, the wife, is living separate and apart from the government official and, and this must also be present, is intending to get a divorce, or a permanent separation.

Q. Mr. Scott, if a public official does not disclose a wife's transaction or loans or transactions, does he still have reporting obligations on the forms?

A. Yes. In both the Executive Branch and the Legislative Branch, boxes must be checked. In the Legislative Branch at the end of the form a box saying that the exclusion has been made, must be affirmatively done.

Q. Just getting back to the category of transactions, if you turn to page 18 of the instructions.

A. Yes, I have it.

Q. If there is a commodities transaction or a stock transaction, what do the Congressional instructions require be disclosed?

A. Well, do you want me to just summarize it?

Q. Yes. Maybe I can be more precise with my question. What is to be reported, the sale price, the profit? Why don't you explain that to the jury, if you would.

A. Okay. The instructions and in the Act state that you must give a brief description of the date, the category of value, of the purchase, sale or exchange, and if it exceeded $1,000, in the categories of the real property, stocks, bonds and commodities futures.

Q. What about the second sentence of the instructions right under "transactions", what does that say, sir?

A. That says, "The amount to be reported is the category and value of the total purchase price or total sales price or the fair market value in the case of an exchange and is not related to any capital gain or loss on the transaction."

If I can, what that means is that unlike a tax return or something like that, you don't have to get into what is a capital gain, what is the basis of the transaction. You just have to give the category of the total amount.

Q. The purchase price?

A. That is correct.

Q. Does the Act provide that the forms are available to the public?

A. Yes, it does.

Q. In your experience, who among the public seeks them out?

A. In my experience, the number one seeker of these forms is the press. Certainly other groups that do are lawyers representing individual clients who have an interest in a particular matter or a particular government official, public interest groups that have cause of some kind or another and law enforcement officials.

Q. Are there warnings on both the Congressional and executive forms for false filings?

A. Yes, there are, again in both the Executive and Legislative Branch forms, they are both there in the Executive Branch they begin the instructions; in the Legislative form, they end the form right before the person is supposed to sign.

MR. WEINGARTEN: Thank you, sir.

THE COURT: Mr. Lewin, cross-examination.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. Mr. Scott, let me just get it clear. You are the chief counsel of the Office of Government Ethics, is that right?

A. Correct.

Q. You have been ever since that office was formed?

A. Well, it took them a long time to get chief counsel, but it was basically in operation a year before I came in. But I was the first chief counsel.

Q. The Office of Government Ethics, in turn, is part of the Office of the Deputy Director of the Office of Personnel Management, is that correct?

A. We are an administrative part of the Office of Personnel Management. I would not say that we are in the Office of the Deputy, because that is a specific office within OPM.

Q. But you are in the Office of Personnel Management?

A. Correct.

Q. And the Office of Personnel Management, in turn, is part of the Executive Branch?

A. That is correct.

Q. And that is distinguished from Congress, which is the Legislative Branch, and the courts, like Her Honor which is the Judicial Branch?

A. Correct.

Q. You are part of the Executive Branch?

A. Correct.

Q. In fact, the law you have been describing, the Ethics in Government Act of 1978, specifically created that office within the Executive Branch?

A. That is correct.

Q. Well, why don't you tell me, its duties are, under the statute, relating to the Executive Branch, isn't that right?

A. That is correct. As I indicated, our specific mandate is to review the Executive Branch financial disclosure forms, the confidential forms filed by Executive Branch people. Well, I am sure you don't want me to go through the whole thing.

Q. Why don't you look at Government's Exhibit No. 1 and read for us 402(a) of the Act, which really tells us what your authority is?

A. I often have to refer to it. Do you want me to read 402(a)?

Q. Yes, 402(a).

A. It says, Your Honor, and ladies and gentlemen of the jury, "Under authority and functions of the Office of Government Ethics, the director shall provide," that is the director of the Office of Government Ethics, "in consultation with the Office of Personnel Management overall direction of Executive Branch policies related to preventing conflicts of interest on the part of officers and employees of any Executive agency as defined in Section 105 of Title V, United States Code.

Q. That is what the statute summarizes your duties as being, is that right?

A. Correct.

Q. To provide overall direction of Executive Branch policies related to preventing conflicts of interest on the part of Executive Branch personnel?

A. That is correct.

Q. So in a very specific sense your responsibilities are with regard to people who are members of the various cabinet departments and other agencies of the Executive Branch?

A. That is right, although, of course, one of our responsibilities in that broad language is to oversee the conflicts of interest laws which do apply in some cases to other branches of the government than the Executive Branch.

Q. I am glad you raised the conflict of interest law. Specifically, what Section 402(a) which you read said related to preventing conflict of interest on the part of officers or employees in any Executive agency. It is your job to prevent conflicts of interest?

A. That is certainly a major one.

Q. Would you say it takes up most of your time?

A. In the broad sense, yes, I would say reviewing financial disclosure reports is part of that and certainly we have to spend a lot of time doing that.

Q. Maybe we could be specific about that. Reviewing financial disclosure reports within the Executive Branch means also instituting actions to have people correct conflicts of interest, is that right?

In other words, you review a form within the Executive Branch and you say, "Look, it looks like there is a conflict of interest. We can tell somebody to divest themselves of something."

MR. WEINGARTEN: I am going to object to this kind of question. Those are the proceedings of the Executive Branch. That is not why Mr. Scott is on the stand.

THE COURT: I think Mr. Lewin is asking him about the procedures of the Executive Branch. In that regard, we can see what parallels, if any, are drawn subsequently. Overruled.

THE WITNESS: Thank you, Your Honor. Are you saying that is one of the things that we can do after we review the forms?

BY MR. LEWIN:

Q. Yes.

A. Yes, yes, sir, that is right. It is.

Q. In fact, do you do that?

A. Yes, we do.

Q. In fact, the Act provides procedures under which you go out and you tell members of the Executive Branch to either divest themselves of something or not be engaged in a certain conflict of interest, is that right?

A. That is correct.

Q. Do you know whether that is true of the Legislative branch as well?

A. Well, they do have different procedures in that sense of the word.

Q. Would you tell us, as an expert in the Ethics in Government Act, is there a procedure under the Ethics in Government Act in which in the Legislative branch there is any agency that tells congressmen to divest themselves of property on account of conflicts of interest?

THE COURT: He is qualified as an expert in the substance and content.

MR. LEWIN: Yes.

THE COURT: That is what he was offered as and that is what he is.

MR. LEWIN: He is an expert in the Act, and I am trying to point out --

THE WITNESS: Sir, I will try to answer your question this way: Certainly, the procedures of Congress are different and they do not parallel the Executive Branch in this regard. I am obviously aware of no agency in the Legislative branch that does what your question suggests.

On the other hand, I think in regard to the substantive provisions that are apart from your review of the forms, that they are virtually identical, as I have indicated.

BY MR. LEWIN:

Q. But in fact, what is a large part of your job, which is correcting or preventing conflicts of interests, is not part of any parallel or counterpart in the Legislative Branch, isn't that true?

A. Well, if I understand your question, no, it is not true. We have a large part of our office -- that is why I say that our responsibilities are many in preventing conflicts of interest -- of interpreting these laws, giving advisory opinions.

I know that the Committee on Standards of Official Conduct in the House do the same thing. They are asked a lot of questions. That is why many times they call us and we interpret both the Act and the conflict of interest statutes. That is certainly a big part of our job as well.

Q. But my narrow question is that you said you do either direct or instruct or prevent members of the Executive Branch from having a conflict of interest by reason of property they own. It is true, is it not, that there is no such provision with regard to the Legislative Branch, there is nobody who orders or directs?

A. That is correct, to my knowledge, sir.

Q. Let me ask you about another document which Mr. Weingarten did not show you, but I think you have an orange covered copy of that on your table and which I would like to have marked, if I could, as Defendant's Exhibit No. 1.

THE COURT: All right.

DEPUTY CLERK: Defendant's Exhibit No. 1 marked for identification.

(Whereupon, Defendant's Exhibit No. 1 was marked for identification).

BY MR. LEWIN:

Q. In your role as chief counsel, who you say is familiar with --

THE COURT: Excuse me, has counsel seen it?

MR. WEINGARTEN: I have it.

MR. LEWIN: Yes, they have a similar one. I think they are virtually identical.

MR. WEINGARTEN: They change over the years.

MR. LEWIN: That is 97th Congress and this is the 98th. But you have a red one.

MR. COLE: We have a red one.

BY MR. LEWIN:

Q. Volume entitled, "Ethics Manual for Members and Employees of the U.S. House of Representatives". Mr. Scott, you have reviewed that book, or its prior counterparts?

A. I have certainly seen it, yes.

Q. You have looked at parts of it?

A. Part of it.

MR. LEWIN: We would offer Defendant's Exhibit 1 into evidence, Your Honor.

THE COURT: No objection?

MR. WEINGARTEN: I would like to come up to the bench for that.

(Bench conference)

THE COURT: Do you want the witness to step down?

MR. WEINGARTEN: I don't care.

There are a lot of materials in that book that are relevant and I think there are probably a lot that aren't relevant. I would like to know what Mr. Lewin wants to use it for.

MR. LEWIN: Only for the section that relates to financial disclosures.

THE COURT: Let me ask you a question. If you only want to use it for that, subsequently do you want to have a photocopy made of just that page rather than the entire booklet be given to the jury, which might distract them? You have offered the entire booklet, whatever it is.

MR. WEINGARTEN: We don't object to the whole book; that is fine.

THE COURT: We can just focus on the page so the jury doesn't have to look through the whole thing later. It is in evidence without objection.

(End of bench conference)

(Whereupon, Defendant's Exhibit No. 1 was received into evidence).

BY MR. LEWIN:

Q. Directing your attention specifically, Mr. Scott, to the section entitled, "Chapter 9, page 105, Financial Interests and Financial Disclosure".

A. Yes, sir.

Q. That is the section that relates to this same subject matter that you have been testifying about, isn't it, financial interests and financial disclosure of members of the House?

A. Yes, sir.

Q. I direct your attention specifically to page 106 of that volume.

A. Yes, sir.

Q. And the second full paragraph thereof.

A. Starts "As for members"?

Q. Yes.

A. Yes, I have it.

Q. All right. Maybe the simplest way to do it is just to read those two sentences: "As for members of the House although it was apparent that potential conflicts of interest may exist between a member's official duties and his personnel financial interests it was recognized that members of Congress will enter public service owning assets and having private investment interests like other citizens in the general public. Members of Congress could not be expected to fully strip themselves of worldly goods.

"Even a proposed selective divestiture of potentially conflicting assets raises problems in the Legislative branch because unlike many positions in the Executive Branch of government, which are concerned with administration and regulation in a particular area, or with regard to a particular subject, e.g. aviation, communication, shipping, et cetera, the area in which a member of Congress must exercise decision-making duties concerning legislation covers nearly the entire spectrum of business and economic endeavors.

"Thus, a neat divestiture of those interests which may present a conflict with official duties is not as practical in the Legislative branch as in the Executive Branch of government."

Does that indicate that there is a difference in terms of approach between what is expected in the Legislative branch from what is expected in the Executive Branch?

A. Absolutely, sir, that is correct.

Q. Turning to the bottom of page 106, the paragraph that begins: "Mandatory disqualification of a member from voting because of a financial interest of a matter under consideration was also rejected as a solution to the potential conflict of interest problem raised by outside financial interests."

Does that indicate to you that the Congress viewed the conflict of interest situation as being different with regard to members of Congress than with regard to Executive Branch personnel?

A. I can emphatically say the answer to that is yes, they view it very differently. -

Q. In fact, members of Congress are not expected to divest themselves of property because there is a "conflict of interest" as Executive Branch personnel?

A. Well, sir, it is different. To generalize, the answer is yes. But I am sure there are specific exceptions. I should add that this has, my understanding of this, has a lot to do with the elected nature of the Legislature, because in fact in the Executive Branch, the President and the Vice President have a different situation than the other members of the Executive Branch. So they have somewhat similar problems with the legislature.

Q. Just looking at page 107, Mr. Scott, and the first full paragraph, would you just read the two sentences of that paragraph on 107 for us?

A. Starting with "thus"?

Q. Yes?

A. "Thus public disclosure of assets, financial interests and investments was seen as the preferred method of regulating possible conflicts of interest of members of the House and certain Congressional staff. It was felt that public disclosure will provide the necessary information to allow a member's constituency to judge his official conduct as to possible financial conflicts with his private holdings and would provide necessary information to flag potential conflicts of employees."

Q. And the next sentence, "review"?

A. "Review of a member's conduct by way of elections every two years was seen as an effective deterent and regulation on potential conflicts of members."

Q. Is it fair to say, from that, Mr. Scott, that unlike the Executive Branch, in the Legislative branch there is no use of the financial disclosure forms for directing a divestiture of any conflict of interest? Maybe I have made that question too complicated. Let me withdraw it.

You have testified, have you not, that a good part of your job is to review the financial disclosure forms and determine whether there is a conflict of interest as to members of the Executive Branch?

A. That is certainly one of our responsibilities, yes.

Q. And to take corrective action or to order corrective action?

A. That is correct.

Q. Is it fair to say in light of what I have just read, what you have read that with regard to members of Congress that is not the remedy that Congress contemplated?

A. Yes, in that context, that is correct.

Q. Indeed, isn't it also fair to say, if you will look at the sections of the law themselves, that the sections of the law provide different remedies with regard to Congress than they do with regard to your Executive Branch?

A. That is correct.

Q. So if you will compare Section 105 of the law, which is the Congressional provision, do you know offhand what the procedure for review in compliance is with regard to Congress, without even looking at it? You are an expert. Let's try it.

A. In fact, I don't think I am an expert in that. I said that they are different and I do not pretend to know what goes on inside the Committee on Official Standards in this regard, if that is what your question is getting at.

Q. That is fine. In fact, though, if you will look at Section 105 of the Act and compare it with Section 206, with which I am sure you are familiar, that is your section, the remedies are quite different, aren't they?

A. I don't have to look at them. Yes, they are.

Q. As to what is to be done with the forms?

A. That is correct.

Q. Mr. Scott, would you accept, when you review these Ethics in Government Act forms submitted by Executive Branch personnel, would you accept a form that just refuses to answer a question that is on the form?

MR. WEINGARTEN: I would like to object, Your Honor. That is wholly irrelevant.

THE COURT: I would suggest counsel, let's not argue out there, please, gentlemen. I told you this before. I expect it to be followed through. Let's do it at the bench.

(Bench conference)

THE COURT: We won't get into argument out there. If you have a difficulty come up here. What is the problem? He says it is irrelevant.

MR. LEWIN: But it is clearly relevant to precisely the point. He says the two are the same as to what has to be on the form. The fact is Congressional forms are submitted and printed with blanks and particularly with a blank on the form question that he has directed the witness' attention to. I would like to ask him about that.

THE COURT: You are saying the Executive form is not printed with blanks?

MR. LEWIN: I think he would say they are not accepted with blanks. I would like to find out. If he says they are accepted, then they are accepted. If he says they are not, I would like him to say that.

THE COURT: Are we talking about printing or accepting?

MR. LEWIN: I am talking about whether his office would accept it if somebody simply refused to answer a question and just didn't answer a question. I think I am entitled to explore that, because I think Congressional forms in fact are accepted and printed and are not sent back, even though they have questions left blank.

THE COURT: You are going to have someone here to testify to that?

MR. LEWIN: I have the book here.

MR. WEINGARTEN: It doesn't make a possible difference. What Scott would do in the Executive Branch is irrelevant. He doesn't know what goes on in the Legislative Branch. We would have liked to have somebody from the Legislative Branch.

THE COURT: What you are telling me is procedural. Would he accept it, that is a procedural matter. He was qualified, that is the matter that I alluded to earlier, he was qualified as to substance and content, very specifically, and not as to procedure.

MR. LEWIN: No, no, but as to what has to be on the form. He says he knows what has to be on the form. What I am saying is that apparently if the standards are different, Mr. Weingarten is now backing off. He is saying he doesn't know. That is precisely my point, that the standards are different between him and the Legislative Branch. That is exactly what I can go into because he is trying to suggest to the jury that what has to be on that form is the same in the Legislative and the Executive Branches.

MR. WEINGARTEN: He is suggesting that what the Act requires is the same. He doesn't have the foggiest idea what goes on up on the Hill if a Congressman does a particular thing.

In addition, this all goes to materiality, which has already been ruled on.

THE COURT: But let him testify in response to Mr. Lewin's question that he doesn't have an idea, if that is true, and then you can come back.

MR. WEINGARTEN: That is not the question. The question asked him what he would do sitting as an Executive Branch employee in a given instance.

THE COURT: What he would do as an Executive Branch employee really has no relevance, and we all agree to that. So if you would, ask it more specifically. I think it is the form of your question, Mr. Lewin, that is causing some difficulty here. Ask him more specifically and then, of course, Mr. Weingarten, if he wishes to, can pick this up on redirect.

MR. LEWIN: Fine.

THE COURT: All right.

(End of bench conference).

BY MR. LEWIN:

Q. In answer to Mr. Weingarten's questions, I think, Mr. Scott, you testified that the Executive Branch form contains an entry or a question which asks whether a spousal exemption is claimed under those three tests, is that right?

A. An Executive Branch form?

Q. Does the Executive Branch form contain one?

A. Yes.

Q. And the Legislative Branch form contains one as well?

A. Yes, but it was different. That is what I said.

Q. It is different. What is the form on the Executive Branch form, in what way does it differ?

A. Okay. In the Executive Branch, it is on the second page of the form. It is not at the end of the form. There are a series of questions which you have to make multiple entries. In the Legislative Branch, it is at the end of the form and it is basically just two questions.

Q. With regard to the Executive Branch form, does the Executive Branch accept a form in which those questions are not answered or will you just buck it back and say, "Fill that out"?

A. If I understand your question, in other words there is no indication on anything.

Q. No indication. Those are yes or no questions?

A. If we catch the fact that it is not filled out at all, of course, we will go back and ask questions, yes.

Q. Do you know whether in the Legislative Branch, whether in fact a failure to answer that question is or is not bucked back?

A. No, sir. Again, I can't speak for what they actually do in regard to whether they would buck it back or not. That is not a question I have ever spoken to them about.

Q. But in terms of the completeness of the form for the Executive Branch, that is an incomplete form, is that right?

A. That is correct.

Q. Have you ever looked at any of the financial disclosure report books published by either the House or the Senate?

A. I am embarrassed to say I have looked at them but I have never --

Q. Never looked in them?

A. I have really never looked in them.

Q. You don't know whether in fact they are or are not published with blanks?

A. The books?

Q. Yes.

A. I guess I know that, but beyond that I don't know anything.

Q. You do know they are published with blanks? Do you know that they are published with questions not answered?

MR. WEINGARTEN: Excuse me, I respectfully object and I would like to take it up at the bench.

(Bench conference)

THE COURT: There is no question. The question was ambiguous at the least. I don't know whether you mean blank pages in the book or on the form.

MR. WEINGARTEN: The question was directed towards what other Congressmen do and how they are treated and that is just totally irrelevant.

MR. LEWIN: No, the question is directed to this witness' testimony, that the Legislative Branch requires the same information on its forms as the Executive Branch requires.

MR. WEINGARTEN: By law.

MR. LEWIN: That is exactly what he was offered for. If he says he doesn't know, he doesn't know. I don't mean to trick the witness. I thought he said it was in the public. It doesn't take much looking to see that.

THE COURT: He indicated, with some degree of embarrassment, that he had looked at the book but not in it.

MR. LEWIN: You don't have to look at it very much to know there are a lot of blanks.

THE COURT: Mr. Lewin, you certainly aren't qualifying him as an expert in looking at that book because he has told us he hasn't.

MR. LEWIN: Then I will drop it, if he says he hasn't looked in them.

MR. WEINGARTEN: Mr. Lewin is mixing apples and oranges. Scott is explaining to the jury what needs to be required by law. He doesn't presume to know what is done in practice. What Mr. Lewin is trying to establish is what the practice is on the Hill. I suggest that is totally irrelevant, generally speaking, and certainly is irrelevant for this witness.

MR. LEWIN: If this witness was offered simply to say that the statute, the words of the statute, are the same, I submit it was an enormous waste of the Court's and everybody's time. You don't need an expert to say the words of the statute are the same.

If what he is saying is that what is required in the Executive is the same that is required in the Legislative Branch, I am entitled to find out if in fact the requirement is the same.

THE COURT: If he knows.

MR. LEWIN: If he doesn't know, I will drop it.

MR. WEINGARTEN: If I have wasted the Court's time, I apologize.

THE COURT: You haven't wasted the Court's time.

MR. WEINGARTEN: He knows what the Act says. He doesn't know what goes on up on the Hill, and that is exactly what Mr. Lewin is trying to establish.

THE COURT: I think he has made it very clear, Mr. Lewin, that he doesn't know specifically what goes on up on the Hill or the inner-workings.

MR. WEINGARTEN: If he did, Your Honor --

MR. LEWIN: So why is he here?

THE COURT: He so testified, he was offered as to the substance of the content of what he has testified are virtually identical provisions. As to the procedure, as to the practice, he has made it clear that he does not know that sufficiently to testify with any degree of expertise, at least my derivative of his testimony is such.

Is that what he was being offered for?

MR. WEINGARTEN: Absolutely.

THE COURT: All right. So, you know, I don't know what we are going to accomplish by asking if knows if there are blank pages. What I am concerned about is confusion on the jury's part as we go back and forth between the Executive and Legislative. I think you have made your point, Mr. Lewin. Perhaps it is not caught by the jury but I caught it and I think I got the government's point here, too, I hope.

MR. LEWIN: Thank you. So may I just ask him whether he knows? If he says he doesn't know then he doesn't know.

MR. WEINGARTEN: That is irrelevant, even if he did know.

THE COURT: I cannot see that it is relevant, because he has clearly testified that he is not an expert as to the practice and procedure and he has specifically said he doesn't know what goes on in the Congressional committee.

MR. LEWIN: May I ask him that question just to make sure?

THE COURT: Yes, sure.

(End of bench conference)

BY MR. LEWIN:

Q. Is it accurate to say, Mr. Scott, that you do not know what the practice and procedure is with regard to what actually must be filled out in the Congress in order to make the form acceptable?

A. With the special emphasis on the last part of the question, yes, I cannot say what is acceptable to the House Committee on Standards of Official Conduct.

Q. Did you testify that there is a counterpart of yours on the House Committee or in the House?

A. I believe my testimony was that I was asked what is the counterpart of our office, and I gave the Committee on Standards of Official Conduct as the answer to the question.

Q. Do you know who was on that committee?

A. Obviously it has changed in the last three or four years, but, yes, I know some of them.

Q. Could you just name some?

MR. WEINGARTEN: Objection.

THE COURT: I don't know what value it would be to us. Interesting, Mr. Lewin, but we have to move on.

THE COURT: Any further testimony from the witness?

MR. WEINGARTEN: One second.

MR. LEWIN: May I just have one moment, Your Honor?

THE COURT: Sure.

Mr. Lewin, is there any further cross-examination?

MR. LEWIN: No.

REDIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. Mr. Scott, take Defense Exhibit No. 1, if you would. What is the title of that?

A. The title is "Ethics Manual for Members and Employees of the United States House of Representatives."

Q. Who puts the book out?

A. It is prepared at the direction of the Committee on Standards of Official Conduct.

Q. What is contained inside the book? Is it fair to say, Mr. Scott, there are about ten chapters on the ethical rules and regulations of the House of Representatives?

A. Yes.

MR. WEINGARTEN: Thank you, sir.

THE COURT: Anything further?

MR. LEWIN: No.

THE COURT: We thank you for your testimony, Mr. Scott. You are excused. I would ask that you not discuss your testimony with any other possible witness until the case is completed. Have a good day.

THE WITNESS: Thank you, Your Honor.

THE COURT: Next witness.

MR. WEINGARTEN: Nelson Bunker Hunt.

THE COURT: We will be breaking in the neighborhood of 3:30 for a lunchtime recess so perhaps this gives guidance to counsel, both sides of the table, as to length of testimony prior to the recess.

Whereupon,

NELSON BUNKER HUNT

was called as a witness by counsel for the Government and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

THE COURT: Good afternoon, Mr. Hunt.

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. Your full name, sir?

A. Nelson Bunker Hunt.

Q. Where do you live, sir?

A. Dallas, Texas.

Q. How are you employed?

A. I am largely self-employed. I am in the oil and gas business primarily.

Q. Do you also do some investing?

A. Yes.

Q. Could you relate what general categories of investments have interested you in the past?

A. Well, I have some stock investments, general stock investments, commodities from time to time, and real estate.

Q. Do you hold any positions in corporations?

A. Yes. I am chairman of the Hunt Energy Corporation.

Q. Where would that be located?

A. That is in Dallas. It is a family corporation.

Q. What are your other major positions, just briefly?

A. I am chairman of Hirco National Resources Company, which is a holding company involved in --

Q. You have to speak up, Mr. Hunt.

A. It is involved in the sugar refining business and also oil exploration.

Q. Would that be Hirco?

A. Yes, sir.

Q. Is that H-i-r-c-o?

A. Yes, it is.

Q. Would that, too, be located in Dallas, Texas?

A. Yes, it is.

Q. And the sugar interests that you mentioned, does

Hirco own a sugar company?

A. Yes, they do.

Q. What sugar company would that be?

A. Great Western Sugar Company.

Q. Where is that located?

A. That is also headquartered in Dallas, Texas.

Q. Mr. Hunt, do you presently have interests in the State of Idaho?

A. No, I don't believe so. Maybe a few federal oil and gas leases, but, you know, we have those probably in 30 states or more.

Q. Did you ever have interest in a silver mine in Idaho?

A. I was a stockholder, or rather Hirco was a stockholder in Sunshine Mining Company for a period of time.

Q. When would that have been?

A. I don't remember.

Q. Would it be the late seventies?

A. Yes, middle to late seventies.

Q. Do you presently have an interest in the Sunshine Silver Mine?

A. No, I don't.

Q. Now, Mr. Hunt, do you know the defendant, Mr. Hansen?

A. Yes, I do.

Q. How do you know him, sir?

A. Well, I have met him through the years, six or eight or nine times in person, and I know him from political circles as a Congressman, conservative republican Congressman.

Q. As best you can, when did you first meet Mr. Hansen?

A. I couldn't give you the year and month, but I met him in Washington at a social function.

Q. So the jury has some idea, would it have been in the seventies?

A. Oh, yes.

Q. Do you remember, the early part of the seventies, the middle seventies?

A. I would say the middle seventies.

Q. What was the occasion when you first met Mr. Hansen?

A. Well, I think it was a dinner. I was at a dinner with 50 or 75 people there.

Q. Did a relationship develop or did you have a conversation with Congressman Hansen?

A. Yes, I did.

Q. To the best of your recollection, what was the substance of that conversation?

A. Well, we talked about, you know, things in general. And then the Congressman said he would like to talk to me privately a minute, and he said that on his last election or two before, he had had terrible problems with the Hayes Committee, Congressman Hayes, Wayne Hayes, is that the fellow's name? He said that he had had to defend himself from these charges and that the legal bills had been extremely high and the cost of his defense had been extremely high and it put he and his family in substantial debt. He was trying to raise some money to cover those expenses.

Q. Did he directly ask you for some money?

A. Yes. He said he would like to get some contributions, that he had, and I don't remember the figure, $300,000 or $400,000 worth of legal bills that he would like to try to raise, and he said he was planning on sending out a fund raising letter but there was a problem there with some committee in Congress, whether they would approve it. I am not sure which committee it was.

Q. What did you think about this approach?

A. Well, I was sympathetic with Congressman Hansen from the aspect that this same Congressman had attacked and vilified my father several times.

I thought he was very straightforward with it.

Q. Did you think he was being aggressive?

A. Well, I didn't know him at that time, but, yes, aggressive. He is an outspoken person.

Q. Did you describe it once before as being overly frank?

A. Well, I might have used those words. He was very frank about it, yes, sir.

Q. How did you respond?

A. Well, I told him that I was sympathetic to his problem but that as far as making a contribution, I would have to check into the legality of that. So that was about the size ~~of it~~.

Q. Did you expand upon that? I mean, why didn't you simply want to reach into your pocket?

A. Well, I didn't know, you know, whether it was -- I am not a lawyer and I didn't know whether there would be any legal problems. And I didn't know whether there was a limit, you know, a $1,000 limit like you have with political campaigns, or just what the situation might be.

Q. Just since you mentioned it, have you ever contributed to any of Congressman Hansen's campaigns?

A. Yes, I have.

Q. How many occasions, do you recall?

A. I don't recall exactly, but I will guess two or maybe a couple of times, maybe three times. I don't know.

Q. Every time he runs is it fair to say you contribute?

A. No, no. Since we have had the problems, I haven't contributed.

Q. So what did you do when you came to that conclusion that you didn't want to reach into your pocket and give out some money?

A. I told him, I said, "Let me give it some thought." I am not sure whether it was at that meeting that I told him that or a subsequent time, but I told him that I might have some thoughts and might try to help him make some money. And I was speaking perfectly legally, of course. Everything I was going to suggest at any time was perfectly legal as far as I know.

Q. How did Congressman Hansen respond to that?

A. He said, "That would be fine," that he would be interested in that. And then, as I thought about it further, I felt that it might not look good for me, you know, to be trying to help a Congressman make money. Somebody might be suspicious about it. And I said, "Well, maybe"--

Q. Why did you come to that conclusion, Mr. Hunt?

MR. LEWIN: Mr. Weingarten keeps interrupting the witness.

THE COURT: Excuse me. I do think the witness was interrupted, Mr. Weingarten.

MR. WEINGARTEN: I apologize.

THE COURT: Would you continue, please, Mr. Hunt.

THE WITNESS: I am not sure where I was.

THE COURT: We will start with another question.

BY MR. WEINGARTEN:

Q. I think you had indicated, Mr. Hunt, that you were concerned about the perception that might be caused by you giving Congressman Hansen money. Why would that be?

A. Well, I think, you know, it always can be a problem. And, you know, somebody like yourself might think it wasn't all right or there might be some law against it that I might not know about.

Q. So what happened then?

A. So I told him that I might do something for his wife. He mentioned that his wife had gone to some ethics committee or some committee to get approval of sending out a fund-raising letter, and that that was about to be approved or was not going to be disproved; at least there was no particular objection to that. He thought that would be fine, if I could do something to help his wife.

He said they had separate accounts. I don't know whether it was tax accounts or bank accounts or just what. But he said that there were legal accounts between he and his wife.

Q. Did he ever tell you that he pace taxes separate from his wife?

A. I don't recall that he told me that. I mean, I might have assumed that he did, but I don't recall that he specifically said that.

Q. Do you recall telling me that that is what he told you?

A. Well, I may have told you that. I won't question what the record is.

MR. LEWIN: May we approach the bench, Your Honor?

THE COURT: Yes. Will you step down, please, Mr. Hunt, for a moment.

(Bench conference)

MR. LEWIN: If Mr. Weingarten is going to impeach his own witness or try to use some past statement as substantive evidence, I think he knows he has to meet the standards of the Federal Rules of Evidence on that. As I understand it, and we will provide it to you, this is an unsworn statement of Mr. Hunt given to Mr. Weingarten. If he is trying to impeach the witness, the witness has not denied this. I don't even know what page he is referring to.

THE COURT: I don't know if it is impeachment or refreshment of recollection.

MR. LEWIN: I think, at the very least, if he is trying to do that, we are entitled to know specifically what reference he is making to the document that he has in his hands, a page reference, before he makes this assertion in the presence of the jury.

THE COURT: Right, but apparently the witness has no doubt that he may have made this statement and seems to know that there is some reference that is being made.

MR. LEWIN: I am not sure. I think the witness may simply think that because Mr. Weingarten is very assertively saying something, that maybe he thinks it is true, especially if he is holding something in his hand.

I think he has a duty to show me what he is referring to so we know, rather than trying to take on his own witness.

THE COURT: If he is going to be so challenged, of course, he is going to have to follow the Federal Rules in that regard, but I am not certain he is going to be.

MR. WEINGARTEN: First of all, Mr. Lewin has this document in his hand.

MR. LEWIN: I don't know what you are referring to.

THE COURT: What is the document, for the record?

MR. WEINGARTEN: He gave a statement that was transcribed.

MR. LEWIN: What page is it on?

MR. WEINGARTEN: Page 24. I surely have not gotten to it, but I have a feeling he will be using this with this witness.

THE COURT: All right. We will follow the proper procedure, Mr. Lewin. When it comes time for cross, you will certainly have your opportunity. All right?

MR. LEWIN: All right, Your Honor. That is exactly why I think we have to have a reference. I mean, what the transcript shows is that Mr. Hunt said to Mr. Weingarten, "And so he told me, he said, 'Well, my wife, when we had all these financial problems, we divided our estate, or she has a separate set of bank accounts and pays taxes separate from me.'"

So Mr. Hunt did not say to Mr. Weingarten that the Congressman had said that his wife paid separate taxes. Obviously Mr. Hunt did not recall at that point what it is that was being said.

THE COURT: I think you have just read it to give the information of what he said, "Or she has a separate bank account."

MR. LEWIN: I am sorry?

THE COURT: "Or and pays taxes separate from me."

MR. LEWIN: The quotes are, "Well, my wife, when we had all these financial problems, we divided our estate or she has a separate set of bank accounts and pays taxes separate from me." You know, the quotation marks in that document are put in by the reporter, and I submit to Your Honor that if you look at that statement, Mr. Hunt is saying either Mr. Hansen said, "We divided our estate," or he said, "She has a separate bank account."

THE COURT: I don't know. That entire thing was written in quotes. Maybe it shouldn't have been, but it was.

MR. LEWIN: I don't think the foundation has been laid that that is an inconsistent statement with anything Mr. Hunt has said.

THE COURT: At the moment we haven't had impeachment. Certainly if he intends to impeach him he is going to have to follow the proper rules, and I am confident he will.

(End of bench conference)

BY MR. WEINGARTEN:

Q. Mr. Hunt, at the break, or at the objection, you were explaining what Congressman Hansen told you about the property agreement that he had reached with his wife. Why don't we start from the beginning.

Why don't you explain what Congressman Hansen told you.

A. Of course, this is now seven or eight years ago or longer, so I don't claim to have a perfect memory, sir.

Q. As best you can.

A. But as best I understood it, there had been some type of a legal separation, not legal separation, but a separation where his wife's affairs and his affairs were separate. Whether they had separate bank accounts, I don't believe he said. Whether they paid taxes separately, I don't know that I knew that. But that legally his affairs were separate from his wife's.

Q. All your information about the separation came from Congressman Hansen?

A. Yes, it did.

Q. Now, what about bank accounts, did he mention anything to you about bank accounts or accounts, as best as you can recall?

A. Mr. Weingarten, as best I recall, he said "accounts", and I don't recall that he said bank accounts, but it has been so long ago I just don't -- I would like to be exact on that but I just can't.

Q. If I showed you a statement, would that be helpful to you, do you think, a statement of a conversation that we had on June 15th, 1982?

A. Yes, I would be glad to look at it.

MR. WEINGARTEN: Mr. Lewin, that is on page 24 and page 58.

BY MR. WEINGARTEN:

Q. Mr. Hunt, if you would, please read the question on the bottom of page 23, your answer, and then continue with your answer to here, and I am indicating line 11, and then if you would, turn to page 58 and read your statement from line 17 through line 25.

A. "Question: How did it come about that they invested money in soybeans?

"Answer: Oh, yes, I said to George I said, 'Well, I don't want to do anything that would cause any problems.'"

MR. LEWIN: Your Honor, has Mr. Weingarten asked the witness to read it out loud or read it to himself?

THE COURT: I assume he meant to read it to himself.

MR. WEINGARTEN: That was my question.

THE COURT: All right. Just read it quietly to yourself, Mr. Hunt.

BY MR. WEINGARTEN:

Q. Page 58, starting on line 17, and please complete the page.

Does your statement of about two years ago, Mr. Hunt, help you recall what Congressman Hansen may have told you back when you first met him?

A. I just don't have any recollection of it, you know, beyond what I have read there. I don't want to impugn -- maybe when I said separate bank accounts, if that is the question, maybe I was assuming that they were separate. But I am unsure in my own mind.

Q. Back when we talked in Dallas, were you trying your best to be truthful?

A. Yes, I was.

Q. Is it possible that you remembered better two years ago than you remember today?

A. That is possible.

MR. WEINGARTEN: On that basis, Your Honor, I would ask Mr. Hunt to read, on page 24, the paragraph that he has read to himself.

THE COURT: Would you please read it out loud, sir.

THE WITNESS: Out loud?

THE COURT: Yes, this time out loud.

MR. LEWIN: I am sorry. May we approach the bench?

(Bench conference)

MR. LEWIN: I object to the admissibility of that reading, both because I don't think a foundation is laid and second of all because it is hearsay. The only exception under Rule 801(d)(1) of the Rules of Evidence states, "If a declarant testifies at trial or hearing and is subject to cross-examination concerning this statement and his statement is inconsistent with his testimony and was given under oath subject to the penalty of perjury at a trial or in any other proceeding or deposition," this statement was not given under oath and therefore is not admissible substantively in this procedure.

MR. WEINGARTEN: Present recorded recollection, 803(5), it is an exception to the hearsay rule.

MR. LEWIN: This didn't happen at the time the event occurred. It is not present recollection.

MR. WEINGARTEN: I misspoke, recorded recollection, 803(5). He has no recollection of the event at this point. He claims he was trying his best two years ago.

MR. LEWIN: I am sorry. It is not any recollection, recorded recollection. Recorded means at the time of the events, not when he is asked by Mr. Weingarten a year and a half ago about the very same thing he is asked about here under oath. He was not then under oath. It was a statement that was simply made informally apparently, with a reporter present but not under oath. Therefore it is not admissible as a substantive declaration of any kind.

MR. WEINGARTEN: If I may show the Court 803(5).

THE COURT: It is recorded recollection, for the record, which states, "A memorandum or record concerning a matter about which a witness once had knowledge but now has insufficient recollection to enable him to testify fully and accurately, shown to have been made or adopted by the witness when the matter was fresh in his memory and to reflect that knowledge correctly. If admitted, the memorandum or record may be read into evidence but may not itself be received as an exhibit unless offered by an adverse party."

MR. LEWIN: There are at least three reasons why that is totally inapplicable. This is not a memorandum or record. This is a transcript of an interview, of oral questions and answers. That refers to a memorandum of record made by a witness sometime when his memory was fresh.

Second of all, Mr. Hunt has said that his memory was not fresh at that time either. He said it may be possible, and I think the reporter can read it back. I thought it was an objectionable question, but I felt if he is going to ask it in that form let him ask him, "Is it possible that your recollection was better then?" I have frequently, in trials, when I initially used to try to ask questions that way, had my opponent stand up and say, "Everything is possible", and the objection was sustained.

Of course it is possible. Everything is possible. That is not sufficient to mean that his recollection was then fresh. He did not say his recollection was then fresh. This is not a memorandum and it does not in any way or in any form come under Rule 803, and we object to its admission as substantive evidence.

THE COURT: He can testify to it. You can cross-examine him on it. You can show, as you say, that it doesn't carry the weight that you indicate that it does, because he doesn't have a recollection of it now and he has admitted that his memory was fresher. Now we get into the distinction between fresh and fresher. You can certainly use that on cross-examination, Mr. Lewin.

(End of bench conference)

BY MR. WEINGARTEN:

Q. Mr. Hunt, if you would begin reading on page 23, line 21, with my question, and stop reading, if you would, on line 11 on page 24. You can read aloud at this time, sir?

A. "Answer: Oh, yes, I said to George, I said, 'well, I don't want to do anything that would cause any problem. I know of these investments but,' I said, 'you being a Congressman, I don't know whether you should do it or not. I am not a lawyer, but I have some reservation about it.'

"And so he told me, he said, 'Well, my wife, when we had all of these financial problems, we divided our estate or she had a separate set of bank accounts and pays taxes separate from me.' So he said.

"I would think -- I said, 'Well, that sounds all right since her business is separate from you. She doesn't work for the government.'"

Q. That is enough.

MR. LEWIN: Your Honor, I think the witness should be entitled to read that whole answer, his whole answer on that page, if Mr. Weingarten is asking him to read --

THE COURT: I don't have a copy of the document so I don't know if it is the whole answer or a portion of the answer or if there is any more that is relevant to the question that was specifically asked. There may be. I just don't know.

MR. LEWIN: May we approach the bench?

(Bench conference)

MR. WEINGARTEN: That is totally different.

THE COURT: I see the name in there. That is what I backed off on there, "Congressman Weingarten".

MR. WEINGARTEN: That is a relative of mine, Your Honor.

THE COURT: If you want him to read the whole answer, he can. I don't know if it really adds anything to it. If it makes you much happier, and you feel it is a fairer balance, fine and good.

MR. WEINGARTEN: On cross-examination he can do it.

MR. LEWIN: No. The jury is entitled to hear, at the time it hears the answer, the entire answer.

THE COURT: You can do it two ways: You can do it at this time or you can do it at cross-examination. You can have an opportunity to do it. Since we interrupted right now let him finish this chapter this time. In the future, we will bring it out on cross-examination, because it just gets to be too choppy if we have to go back and forth. This time he can finish the page 24. As far as I am concerned he can go up to line 6 on page 25 and then you have another question coming up.

MR. WEINGARTEN: He should read the rest?

THE COURT: Yes.

(End of bench conference)

THE COURT: We will have you finish and complete that answer up to line 6 on page 25. Continue where you left off.

THE WITNESS: "He said, 'No, she comes down and works for my office, but that is not on the government payroll. She does it for nothing. You are not supposed to hire your own relatives, a Congressman isn't, or a Senator. But what they do to get around that, I hire -- I send my relatives to Congressman Vinson. Congressman Vinson sends them to Congressman Weingarten. Congressman Weingarten sends them to Congressman Cole. So everybody's relatives get placed in a job with somebody else, in somebody else's office. It is a pretty convenient arrangement and thereby they don't violate any government regulation.'

"Whereas Mrs. Hansen wouldn't do that. She works apparently for nothing at George's office; whereas, if she would go over and work for some friend of George's she would get $30 or 40,000, which I thought showed pretty good ethics.

"So any way I was going to try to help her make some money and so that is the way it came about."

THE COURT: If there is another question there, you can stop at that point.

THE WITNESS: Yes, there is.

THE COURT: Thank you.

BY MR. WEINGARTEN:

Q. How were you intending to help Mrs. Hansen make money?

A. Well, I didn't know, but, you know, occasionally I hear of a good stock investment or perhaps a good commodity investment or something.

Q. What debts were you hoping to help defray by helping Mrs. Hansen?

A. Their legal bills and their costs of defending Mr. Hansen in the Hayes Committee.

Q. His bills?

A. Yes.

Q. What did you eventually do?

A. Eventually, I recommended to her that she buy some soybeans.

Q. Now, would that be a commodities futures purchase?

A. Yes, that is right.

Q. To your knowledge, was Mrs. Hansen knowledgeable in the commodities market?

A. No, I don't believe she was.

Q. Were you knowledgeable?

A. I thought I was.

Q. Mr. Hunt, there may be some jurors, and even some lawyers in this courtroom, that don't know much about the commodities market. In very, very simple language, what does it mean to buy a commodities future?

A. Well, I don't class myself as an expert, but you can buy a futures contract for approximately five or ten percent of the actual value of the commodity and then if the commodity goes up or down you either make or lose money, depending on whether it goes up or down.

Q. Can you purchase all sorts of kinds of commodities?

A. Yes, a very wide range.

Q. Are soybeans just one kind of commodity that you can buy?

A. That is right, that, corn.

Q. Where do you do it?

A. I think there are several places you can, but Chicago Board of Trade or the Chicago Mercantile, the New York Comex, commodities exchange.

Q. Is it fair to characterize it as a very risky business?

A. Yes, fairly risky, yes.

Q. Now, what did you recommend to Mrs. Hansen?

A. I put her in touch with a broker who I used in Chicago named Nichols, and recommended that she talk to him. I told her I thought the commodities were a good buy. Nichols was an expert on it and he could talk to her about it.

Q. What eventually happened?

A. She bought some -- she had contact with Nichols and she bought some soybeans and lost money on them.

Q. Let's take it one step at a time. Whose decision was it for her to buy soybeans?

A. Well, it was my recommendation. So I guess if she didn't want to, she certainly didn't have to.

Q. Were you then purchasing soybean futures yourself?

A. Well, I don't recall whether I was buying at that time, but I did have soybeans, yes.

Q. Do you recall this transaction being in 1977?

A. I wouldn't recall that, but I will accept that.

Q. Okay. Is it fair to say, though, that your conversation with Congressman Hansen, your first conversation that you have testified about, took place before the soybean purchase?

A. Yes, I would say so.

Q. Is it fair to describe the soybean transaction as involving several steps, first the purchase, then the sale, then another purchase and another sale, and then another purchase and then another sale, do you recall?

A. I don't recall. It has been several years ago. I just put her in touch with Nichols and told Nichols she was a friend of mine and try to help her.

Q. In whose account were the soybeans first purchased?

A. I don't know. I assume in Connie Hansen's, but I never heard anything to the contrary.

Q. Do you have any recollection of the contracts first being purchased in your account?

A. No.

Q. Do you recall whether or not the soybean investment first produced a profit and then only several days later produced a loss?

A. I don't recall.

Q. Who made the decisions, Mr. Hunt, as to when to buy and when to sell the soybeans?

A. Well, I advised her, and I think she followed my advice, and then I think Nichols advised her. So I guess between a combination of the two.

Q. Between you and Nichols?

A. I think she was obviously relying on myself and Nichols, yes, sir.

THE COURT: Is that for the purchase and sale, in response to the question, or for one or the other?

THE WITNESS: I believe both, Your Honor.

BY MR. WEINGARTEN:

Q. Would it be fair to say, Mr. Hunt, that the decision to buy and the decision to sell in every instance in the soybean transaction was yours?

A. Well, I would guess that I was largely instrumental in both buying and selling, yes. I felt the market had gotten very risky so I advised her to sell and take her loss.

Q. Do you recall how much that loss was?

A. I don't recall specifically, no, sir.

Q. Do you recall assisting Mrs. Hansen in paying for the loss?

A. Yes. I told her I felt very badly about having tried to help her make some money and ended up losing money for her. She didn't have money to cover the loss, whatever it was, and I told her that if she would come to Dallas, I would introduce her to a bank and help her get a loan to cover the loss.

Q. In fact, did that happen?

A. Yes, it did.

Q. What bank was it, do you recall?

A. First National Bank of Dallas.

Q. Do you have some investments or did you then have some property in that bank?

A. Well, I don't have property but we did a lot of business with that bank.

Q. What exactly did you do for Mrs. Hansen?

A. Well, I co-signed her note and she got the loan.

Q. I hand you, Mr. Hunt, what has been premarked as Government's Exhibit No. 15 and ask you, sir, if you can identify it?

A. Yes, sir.

Q. What would that be, sir?

A. This is a promissory note of $50,000 for Connie Hansen, and a guarantee of that note signed by me.

Q. I am sorry. How much was the note for?

A. $50,000.

MR. WEINGARTEN: We move into evidence Government's Exhibit 15, Your Honor.

MR. LEWIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 15 was received into evidence).

BY MR. WEINGARTEN:

Q. Having seen that note, do you recall now what the soybean loss would have been?

A. No, sir, I am sorry, I don't.

Q. Do you recall what happened with that note?

A. Yes. Ultimately, Connie Hansen did not pay it, and the bank called on me to make the note good, and I did.

Q. Did you receive some correspondence from the bank, that you recall?

A. Yes, I did.

Q. Mr. Hunt, I hand you Government's Exhibits 20 and 22 and ask you if you can identify them, sir?

A. Yes, those were letters that were written by the First National Bank to me.

Q. What were they concerning?

A. Concerning the $50,000 loan to Mrs. Connie Hansen, supported by my guarantee, saying it was overdue and asking me to make them good.

MR. WEINGARTEN: I move into evidence Government's Exhibits 20 and 22.

THE COURT: Without objection?

MR. LEWIN: No objection.

THE COURT: They are both in evidence without objection.

(Whereupon, Government's Exhibit Nos. 20 & 22 were received into evidence).

BY MR. WEINGARTEN:

Q. Pursuant to or as a result of that request from the Dallas bank, did you in fact make the loan good?

A. Yes, I did.

Q. Mr. Hunt, I show you what has been marked as Government's Exhibit No. 23 and ask you if you can identify it, sir?

A. Yes. This is a check made out from my account to the First National Bank in Dallas.

Q. For how much?

A. $61,503.

Q. What was that check used for?

A. It is not identified, but I assume that is the check that was used to pay the loan of $50,000, plus interest. Accrued interest must be $11,500.

Q. Is it fair to say it is the $50,000 plus the accrued interest?

A. Yes, sir.

MR. WEINGARTEN: Your Honor, I would like to substitute copies for this, because Mr. Hunt's lawyers want to take this back with them.

THE COURT: No objection, Mr. Lewin?

MR. LEWIN: No objection.

THE COURT: And to the substituted copy also?

MR. LEWIN: No objection.

THE COURT: I take it it is being offered into evidence?

MR. WEINGARTEN: We offer into evidence Government's Exhibit No. 23.

THE COURT: All right, without objection, it is in evidence.

(Whereupon, Government's Exhibit No. 23 was received into evidence).

BY MR. WEINGARTEN:

Q. Once you paid the Dallas bank with this check, sir, where did that leave your relationship with Mrs. Hansen concerning that loan?

A. Well, she owed me that money, and I have tried to collect. I have written letters to her.

Q. Don't get ahead of the game.

Was the fact that she owed you that money memorialized in a legal document? Was there a note drawn up reflecting that fact?

A. I believe there was, yes, sir.

Q. Mr. Hunt, I hand you Government's Exhibit 26A and Exhibit 26B and ask you if you can identify them?

A. Yes, these are promissory notes from Connie Hansen to N. B. Hunt. One is dated October 26th, 1978, $3,107; another one dated June 3rd, 1980, $61,503, and a few odd cents.

Q. Mr. Hunt, what does the $3,000 '78 note indicate, do you remember?

A. I think that must have been the interest that was due. Was that the question?

Q. Yes. Did you pay interest early on on the note as well?

A. I assume so. I don't know specifically, but I assume I would have.

MR. WEINGARTEN: We move into evidence those notes, Your Honor.

MR. LEWIN: No objection.

THE COURT: They are in evidence, Government's 26A and B.

(Whereupon, Government's Exhibit Nos. 26A & B were received into evidence).

MR. WEINGARTEN: We would also like to substitute those with copies.

MR. LEWIN: No objection.

THE COURT: Fine.

BY MR. WEINGARTEN:

Q. Now, I note, Mr. Hunt, that one of these notes is dated October 26th, 1978. The other note is dated June 3rd, 1980. As we sit here today, are those notes paid off?

A. I don't believe they have been, no, sir.

MR. WEINGARTEN: Your Honor, this is a very logical place to break, if the Court is of a mind to do so.

THE COURT: I believe what we were doing was waiting for coffee for the jurors, which will be here in about five minutes. But we can break now. We will just have to drink more quickly. We are going to take about a ten minute break, ladies and gentlemen of the jury, with the continuing admonition not to discuss the case with anyone.

Mr. Hunt, you are in the midst of your testimony and that same admonition applies to you, not to discuss the case with anyone at this time.

(Recess)

AFTERNOON SESSION

THE COURT: MAY I SEE THE COUNSEL AT THE BENCH FOR ONE MOMENT WHILE WE ARE WAITING FOR THE JURY TO COME IN?

AT THE BENCH:

IT HAS BEEN BROUGHT TO MY ATTENTION BY ONE OF THE DEPUTY MARSHALS THAT THE GENTLEMEN WHO HAS BEEN DESIGNATED AS A CONGRESSMAN'S AIDE HAS BEEN SEEN TALKING TO THE CONGRESSMAN WHICH CERTAINLY IS APPROPRIATE IF HE IS TALKING ABOUT CONGRESSIONAL BUSINESS. I TRUST HE IS NOT TALKING ABOUT WHAT IS ONGOING HERE.

MR. LEWIN: NO, HE IS MAKING GENERAL STATEMENTS; ANSWERING GENERAL QUESTIONS AS TO HOW THINGS ARE GOING.

THE COURT: I ASSUMED IT TO BE THAT OR TALKING ABOUT THE BUSINESS OF THE OFFICE OPERATIONS. I WANT TO MAKE IT CLEAR THAT HE HAS BEEN EXCLUDED AND THE REASON FOR BEING EXCUSED IS NOT TO REVIEW THE TESTIMONY.

MR. LEWIN: YES. I THINK, QUITE CANDIDLY, THINGS LIKE HOW IS IT GOING AND REACTIONS OF THAT KIND.

THE COURT: I WOULDN'T BE TOO GENEROUS WITH THAT UNTIL THE GENTLEMAN TESTIFIED. I THINK THAT MIGHT LEAVE ROOM FOR ANOTHER QUESTION AND ANOTHER QUESTION MIGHT INADVERTENTLY DISCLOSE THE MATTERS THAT SHOULDN'T BE DISCLOSED. I THINK THE GENTLEMAN SHOULD BE TREATED IN THAT RESPECT LIKE ANY OTHER WITNESS THAT HAS BEEN EXCLUDED SAVE FOR THE FACT THEY STILL

HAVE TO KEEP THEIR OFFICE OPERATING AND I UNDERSTAND THAT. IT IS NOT THAT THEY CAN'T TALK TO EACH OTHER BUT IT MUST BE OUT OF THE PRESENCE OF ANY OTHER WITNESSES OR SEATED AROUND THE SAME GOVERNMENT WITNESS ROOM, AND IF THEY HAVE THAT GOING, IT CAN CREATE PROBLEMS.

MR. WEINGARTEN: I MIGHT SAY MR. MCKENNA HAS BEEN WITH THE CONGRESSMAN FROM THE OUTSET AND HE HAS COME TO THE DEPARTMENT LOBBYING FOR THE CONGRESSMAN IN THIS CASE.

IF HE IS GOING TO BE AN INSIGNIFICANT WITNESS, IT IS ONE THING, AND I THINK HE CAN PERHAPS EVEN BE IN HERE. IF HE IS GOING TO BE ADVICE OF COUNSEL WITNESS, THEN THAT IS MORE SERIOUS. IF HE IS JUST A TRIVIAL WITNESS, I DON'T CARE.

MR. LEWIN: HE IS A WITNESS AS MR. WEINGARTEN KNOWS FROM THE FIRST F B I INTERVIEW THAT THE CONGRESSMAN INTERVIEWED HIM AND HE SAID HE CONSULTED WITH HIS COUNSEL, MR. LEWIN, AND MR. MCKENNA.

THE COURT: SO, IMPART TO YOUR CLIENT JUST TO AVOID ANY POSSIBILITY OF DIFFICULTY I AM NOT PRECLUDING HIM FROM TALKING TO EACH OTHER BECAUSE I UNDERSTAND ONE MUST OPERATE ONE'S BUSINESS AND IN THIS INSTANCE HIS BUSINESS IS THAT OF SITTING CONGRESSMAN. ON THE OTHER HAND, THERE CANNOT BE ANY DISCUSSION OF THE CASE INCLUDING HOW IT WAS GOING. ALL RIGHT?

IN OPEN COURT:

THE COURT: ALL RIGHT. LET'S CONTINUE WITH THE TESTIMONY.

(JURY ENTERS AT 3:45 P.M.)

WHEREUPON,

NELSON BUNKER HUNT

WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN PREVIOUSLY SWORN, RESUMED THE STAND AND TESTIFIED AS FOLLOWS:

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, WE RESUME THE TESTIMONY OF MR. HUNT.

MR. WEINGARTEN?

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

BY MR. WEINGARTEN:

Q. MR. HUNT, WHEN WE BROKE I THINK WE FINISHED TALKING ABOUT SOYBEANS. LET ME ASK YOU, SIR, WAS THERE ANOTHER OCCASION WHEN YOU ATTEMPTED TO HELP THE HANSENS?

A. CONNIE HANSEN HAD LOST THE MONEY WE HAD DISCUSSED, AND I TOLD HER AT THAT TIME THAT I HOPED SOMETHING WOULD COME ALONG THAT WOULD GIVE HER A CHANCE TO GET HER MONEY BACK, AND IF SOMETHING DID COME ALONG I WOULD LET HER KNOW.

Q. AND DID YOU SUBSEQUENTLY CONTACT HER?

A. YES, I DID.

Q. WHAT WAS THE NATURE OF THAT CONTACT

A. IT WAS -- I DON'T HAVE THE EXACT POINT IN TIME. I DON'T KNOW THE POINT IN TIME, BUT I CALLED HER AND TOLD HER THAT I THOUGHT SILVER WAS A GOOD INVESTMENT, AND I THOUGHT SHE MIGHT MAKE AN INVESTMENT IN SILVER, AND IT WOULD BE A GOOD CHANCE TO RECOVER WHAT SHE HAD LOST.

Q. WERE YOU THEN INVESTING IN SILVER?

A. YES, I WAS.

Q. DID YOU RECOMMEND A PARTICULAR BROKER?

A. YES, I DID.

Q. AND WHO WOULD THAT BROKER HAVE BEEN?

A. LES MING, WITH CARGILL, IN OKLAHOMA CITY.

Q. HAD YOU BEEN USING MR. MING?

A. YES, I DID.

Q. WHAT FOLLOWED THAT CONTACT WITH MRS. HANSEN?

A. MING CONTACTED HER AND SHE MADE A, I UNDERSTAND SHE MADE AN INVESTMENT IN SILVER WHICH I RECOMMENDED AND MADE A PROFIT, TOO, ON THAT INVESTMENT.

Q. DO YOU REMEMBER HOW MUCH THE PROFIT WAS?

A. I AM SORRY, I DON'T.

Q. WAS IT MORE OR LESS THAN THE LOSS THAT SHE SUFFERED WITH THE SOYBEANS?

A. I THINK IT WAS MORE, YES.

Q. IS IT FAIR TO SAY THAT THERE WAS A PURCHASE OF SILVER CONTRACTS AND THEN A SALE OF SILVER CONTRACTS, IS THAT HOW IT WENT?

A. I THINK SO, YES.

Q. AND LES MING WAS THE BROKER?

A. YES, HE WAS.

Q. AND WHO DECIDED WHEN AND HOW MUCH SILVER TO BUY AND WHO DECIDED WHEN AND HOW MUCH SILVER TO SELL?

A. WELL, I TOLD MING, WHO WAS A BROKER FOR ME FOR SOME TIME THAT MRS. HANSEN WAS A FRIEND OF MINE AND I WAS TRYING TO HELP HER MAKE A PROFIT, AND I RECOMMENDED THAT SHE INVEST IN SILVER, AND SO I GUESS IT WAS FINALLY HER DECISION, ADVISED BY ME, AND I ASKED MING TO TELL HER WHAT HE FELT ABOUT IT.

Q. OBVIOUSLY, THERE MUST COME A TIME WHEN A DECISION IS MADE TO BUY AND THE DECISION IS MADE TO SELL ON THE COMMODITIES MARKET, IS THAT IT?

A. YES.

Q. IS IT FAIR TO SAY THAT CONTRACTS WERE PURCHASED FOR MRS. HANSEN BY LES MING?

A. YES.

Q. AS YOU SIT HERE TODAY, WHAT IS YOUR BEST RECOLLECTION ~~AS~~ TO WHO DECIDED WHEN TO SELL THOSE CONTRACTS?

A. WELL, I ADVISED HER TO SELL. I FELT THE MARKET WAS GETTING A LITTLE VOLATILE, AND SHE HAD A PROFIT, AND I FELT THAT SHE SHOULD TAKE THE PROFIT AND SO ADVISED HER.

Q. DO YOU REMEMBER THE AMOUNT OF THE PROFIT?

A. NO, I DON'T.

Q. MR. HUNT, WAS ANY PORTION OF THAT PROFIT APPLIED TO THE MONEY THAT WAS OWED TO YOU?

A. NO, I DIDN'T RECEIVE ANY OF IT.

Q. HAVE YOU EVER DONE THIS SORT OF RECOMMENDING OR PROVIDING ADVICE ON INVESTMENTS FOR ANY OTHER PERSON?

A. OH, YES, I HAVE, YOU KNOW, FRIENDS, AND I HAVE TOLD

THEM I THOUGHT IT WAS A GOOD TIME TO BUY OR I THOUGHT PERHAPS IT WAS A GOOD TIME TO SELL.

Q. HAVE YOU EVER DONE IT FOR ANYONE WHO WAS RELATED TO A CONGRESSMAN OTHER THAN MRS. HANSEN?

A. NO, I CAN'T RECALL THAT I HAVE, NO, SIR.

Q. IS IT FAIR TO SAY, MR. HUNT, BACK THEN WHEN YOU WERE ASSISTING THE HANSENS AND TODAY AS YOU SIT ON THE WITNESS TABLE, YOU FELT GREAT SYMPATHY FOR GEORGE HANSEN?

A. YES, I DO. I WOULD SAY, I AM SYMPATHETIC WITH ANYONE WHO HAS PROBLEMS. THAT IS MY NATURE, I GUESS. I HAVE HAD MY SHARE OF THEM, AND I KNOW WHAT PROBLEMS CAN BE.

Q. AND IN ADDITION, DID YOU LIKE CONGRESSMAN HANSEN BACK THEN?

A. YES, I LIKED HIM THEN, AND STILL LIKE HIM.

Q ARE YOU PREPARED TO SAY THAT BACK THEN WHAT YOU WERE DOING WAS LOOKING FOR A WAY TO PROVIDE CONGRESSMAN HANSEN MONEY AND NOT GET IN TROUBLE YOURSELF?

A. I WOULDN'T PUT IT QUITE THAT STRONGLY. I WAS TRYING TO HELP THE HANSEN FAMILY WHICH ADMITTEDLY HAD FINANCIAL PROBLEMS CAUSED BY LEGAL, AS I UNDERSTOOD IT, CAUSED BY LEGAL PROBLEMS FROM THE HAYS COMMITTEE.

Q AND ALL YOUR INFORMATION ON THAT COMES FROM CONGRESSMAN HANSEN, DOES IT NOT.

A. YES, AND I HAD READ ABOUT IT. I HAD READ ABOUT THE CASE. IT WAS FAIRLY WELL PUBLICIZED AT THE TIME, BUT AS TO THE

AMOUNT OF THE PROBLEM, THE AMOUNT OF LEGAL FEES, I DIDN'T KNOW OF THEM OTHER THAN WHAT I WAS TOLD BY THE HANSENS.

Q. SO, IT FAIR TO SAY WHAT YOU WERE TRYING TO DO IS PROVIDE THEM WITH MONEY AND AVOID LEGAL DIFFICULTIES?

A. I GUESS THAT IS A FAIR STATEMENT, YES, SIR.

THE COURT: DOES THAT COMPLETE THE EXAMINATION?

MR. WEINGARTEN: YES, YOUR HONOR.

THE COURT: ALL RIGHT. CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. GOOD AFTERNOON, MR. HUNT. IT IS TRUE, IS IT NOT, MR. HUNT, THAT YOU AND I HAVE MET ONLY ONE TIME BEFORE TODAY?

A. I BELIEVE THAT IS CORRECT, YES, SIR.

Q. AND IT IS TRUE, IS IT NOT, THAT ONE TIME WAS WHEN I AND MR. CAMPBELL, AND MR. BRAGA CAME TO YOUR OFFICE IN DALLAS ON FEBRUARY 23RD FOR A BRIEF INTERVIEW CONCERNING THE FACTS THAT YOU WOULD TESTIFY TO AT THIS TRIAL?

A. YES, SIR.

Q. AT THAT TIME, DURING THAT INTERVIEW, YOU HAD YOUR ATTORNEYS PRESENT, IS THAT RIGHT?

A. YES, THEY WERE.

Q. AND AT NO OTHER TIME BESIDES THAT UNTIL THIS VERY MOMENT HAVE WE SPOKEN TO EACH OTHER, IS THAT CORRECT?

A. THAT IS, YES, SIR.

Q. NOR, -- AND THE SAME HOLDS TRUE WITH REGARD TO MR.

CAMPBELL AND MR. BRAGA, IS THAT CORRECT?

A. THAT IS RIGHT. I DID SHAKE HANDS WITH MR. BRAGA OR MR. CAMPBELL IN THE HALL, BUT IT WAS JUST THAT.

Q. SO FAR AS THE GOVERNMENT COUNSEL IS CONCERNED, AND F B I AGENTS AND ALL THAT, YOU HAVE SPOKEN TO THEM ON SEVERAL OCCASIONS?

A. WELL, YES, 3 OR 4.

Q. IN OTHER WORDS, YOU RECALL BACK IN APRIL OF 1981, YOU WERE INTERVIEWED BY THE F B I ABOUT MATTERS RELATING TO THIS SILVER TRANSACTION?

A. YES, SIR.

Q. AND AT THAT POINT, AGAIN, YOU HAD YOUR COUNSEL AND YOU HAD SOMEBODY ELSE FROM YOUR COMPANY WITH YOU AT THE TIME, IS THAT TRUE?

A. I BELIEVE SO, YES, SIR.

Q. AND YOU DID THAT VOLUNTARILY, YOU MADE YOURSELF AVAILABLE TO THEM TO ANSWER THE QUESTIONS?

A. YES, SIR, I DID.

Q. AND THEREAFTER, IN JUNE OF 1982, YOU AGAIN VERY VOLUNTARILY WITH YOUR COUNSEL PRESENT MADE YOURSELF AVAILABLE TO MR. WEINGARTEN AND MR. COLE AT YOUR OFFICE FOR A STATEMENT THAT WAS ACTUALLY TAKEN DOWN VERBATIM, IS THAT RIGHT?

A. THAT IS RIGHT.

Q AND THAT STATEMENT WAS NOT UNDER OATH, THAT STATEMENT, THOUGH, WAS IT?

A. I DON'T RECALL WHETHER IT WAS SWORN, BUT I ASSUMED THAT IT --

Q. IF YOU JUST LOOK --

THE COURT: EXCUSE ME, HE IS NOT FINISHED.

BY MR. LEWIN:

Q. DO YOU RECALL THAT?

A. NO, I DON'T RECALL THAT.

Q. WHY DON'T YOU JUST LOOK AT THE TOP PAGE, MR. HUNT?

A. YES.

Q. THAT WAS A UNSWORN ORAL STATEMENT?

A. YES, SIR.

Q. AND IT WAS, AGAIN, A VOLUNTARY STATEMENT ON YOUR PART TO TELL THE GOVERNMENT EVERYTHING YOU KNEW IN ANSWER TO THEIR QUESTIONS?

A. YES, IT WAS.

Q. AND LET ME ASK YOU, WHETHER, AGAIN, AFTER THAT STATEMENT IN JUNE OF 1982, YOU WERE INTERVIEWED AGAIN THEREAFTER BY MR. WEINGARTEN OR MR. COLE?

A. I DON'T REMEMBER WHEN BUT THERE WAS ANOTHER TIME.

Q SO, THERE WAS A THIRD TIME THAT YOU WERE INTERVIEWED ABOUT THIS BY THE GOVERNMENT?

A. I BELIEVE SO.

Q. AND IN FACT, IN THAT STATEMENT THAT YOU HAVE BEFORE YOU, IT WAS NOT JUST MR. WEINGARTEN AND MR. COLE, BUT ALSO MR. HOY WHO WAS AN AGENT OF THE FEDERAL BUREAU OF INVESTIGATION; HE

WAS THERE AT THAT TIME AS WELL, DO YOU REMEMBER?

A. I DIDN'T RECALL HIS NAME, BUT YES, HE IS LISTED HERE, THOMAS HOY.

Q. AND IT IS ALSO A FACT, IS IT NOT, MR. HUNT, IN ORDER TO MAKE ALL INFORMATION AVAILABLE TO THE GOVERNMENT, YOU ALLOWED YOUR PERSONAL ATTORNEY TO BE INTERVIEWED AND TO TESTIFY?

A. YES, SIR.

Q. AND WHAT IS HIS NAME?

A. IVAN IRWIN.

Q. I R W I N?

A. YES, AND PERHAPS GOLDBERG, ALSO, I AM NOT SURE WHETHER HE HAS OR NOT.

Q. AND YOU TOLD THEM TO ANSWER ALL QUESTIONS TO THE GOVERNMENT?

A. YES, SIR.

Q. AND, IN FACT, YOU WERE ADVISED THAT YOU HAD A RIGHT TO KEEP ANY COMMUNICATIONS BETWEEN YOURSELF AND MR. IRWIN CONFIDENTIAL UNDER THE ATTORNEY-CLIENT PRIVILEGE AND YOU CHOSE TO WAIVE THAT PRIVILEGE, IS THAT RIGHT?

A. YES, SIR.

Q. HAS THERE BEEN ANYTHING ABOUT THIS ENTIRE SERIES OF EVENTS THAT YOU HAVE TRIED TO HIDE AT ANY TIME?

A. NO, I HAVEN'T. IT IS A PUBLIC RECORD SO FAR AS I AM CONCERNED; AT LEAST, NOW IT IS.

Q. WELL, LET'S GO BACK, THEN, MR. HUNT, TO YOUR FIRST

MEETINGS WITH MR. HANSEN. YOU TESTIFIED I BELIEVE THAT YOU THINK YOU MET HIM IN WASHINGTON AT SOME SOCIAL FUNCTION?

A. YES, SIR.

Q. LET ME ASK YOU, GENERALLY. DO YOU THINK YOUR MEMORY ABOUT THINGS OF THIS KIND IS GOOD OR FAIR OR POOR? HOW WOULD YOU CLASSIFY IT?

A. WELL, IT IS NOT INFALLIBLE. IT IS MODERATELY GOOD, I GUESS. BUT NOT GREAT.

Q. DO YOU HAVE A DISTINCT RECOLLECTION OF THE FIRST TIME YOU MET HIM OR IS IT JUST SORT OF VAGUE?

A. I THINK IT IT WAS IN THE MAYFLOWER HOTEL BUT I DON'T KNOW WHEN. I DON'T HAVE ANY IDEA OF JUST WHEN IT WAS.

Q. DO YOU RECALL MEETING MRS. HANSEN AT THAT TIME?

A. YES, I DO.

Q. DO YOU RECALL BEING IMPRESSED BY MRS. HANSEN?

A. YES, I THOUGHT SHE WAS A FINE LADY.

Q. AND IT HAS BEEN YOUR TESTIMONY THAT RIGHT FROM THE VERY FIRST TIME YOU MET HIM, CONGRESSMAN HANSEN WAS CANDID WITH YOU ABOUT HIS PERSONAL FINANCIAL PROBLEMS?

A. YES, HE WAS.

Q. NOW, YOU TESTIFIED I BELIEVE IN ANSWER TO MR. WEINGARTEN'S QUESTIONS ABOUT VARIOUS THINGS THAT YOU RECALL CONGRESSMAN HANSEN SAYING TO YOU ABOUT HIS WIFE'S SEPARATE PROPERTY, AND THE POSSIBLE SEPARATE ACCOUNTS AND THINGS OF THAT KIND. YOU RECALL THAT YOU ANSWERED THAT SERIES OF QUESTIONS

WITH REGARD TO THAT FOR MR. WEINGARTEN?

A. YES, SIR, I TRIED TO.

Q. LET ME ASK YOU, MR. HUNT, ARE YOU SURE ABOUT THE SEQUENCE OF THESE CONVERSATIONS AS TO WHEN CONGRESSMAN HANSEN MAY HAVE SAID ONE THING TO YOU OR WHEN HE MAY HAVE SAID SOMETHING ELSE OR IS IT JUST A KIND OF GENERAL RECOLLECTION THAT AT SOME POINT HE SAID EACH OF THESE VARIOUS THINGS?

A. I AM NOT, I WOULDN'T SAY I AM POSITIVE THAT THEY ARE ALL OCCURRED AT THE SAME TIME. I JUST COULDN'T SAY THAT, BUT MAYBE IT MIGHT BE A COMBINATION OF TWO CONVERSATIONS OR MORE THAN ONE, ANYWAY. I DON'T RECALL.

Q. FOR EXAMPLE, THE CONVERSATION THAT YOU READ TO THE JURY FROM THIS TRANSCRIPT ABOUT CONGRESSMAN HANSEN SAYING THAT HIS WIFE AND HE HAD DIVIDED THEIR ESTATE, MAYBE HAD SEPARATE ACCOUNTS, OR THINGS OF THAT KIND, COULD THAT HAVE BEEN SAID AT SOME POINT AFTER THE INITIAL CONVERSATIONS REGARDING HIS FINANCIAL DIFFICULTIES?

A. IT COULD VERY WELL. I JUST DON'T HAVE ANY SPECIFIC RECOLLECTION OF WHEN I WAS TOLD THAT, BUT I HAVE NO IDEA WHAT THE DATES WERE.

Q. NOW, YOU DO RECALL, HOWEVER, THAT YOUR DEALINGS WITH REGARD TO THE SOYBEAN AND SILVER TRANSACTIONS WERE WITH MRS. HANSEN, AND NOT WITH CONGRESSMAN HANSEN?

A. YES, I DO.

Q. THAT IS VERY DISTINCT IN YOUR RECOLLECTION?

A. YES, IT IS.

Q. AND IT HAS BEEN DISTINCT IN YOUR RECOLLECTION EVER SINCE THE FIRST TIME YOU WERE ASKED ABOUT THAT, ISN'T THAT RIGHT?

A. YES, SIR, IT IS.

Q. THROUGHOUT ALL THE INTERVIEWS YOU HAD WITH GOVERNMENT COUNSEL?

A. YES, AS FAR AS I KNOW, I NEVER DISCUSSED ANY SOYBEANS OR SILVER WITH GEORGE HANSEN.

Q. AND AS A MATTER OF FACT, YOU TOLD MR. WEINGARTEN THAT CONGRESSMAN HANSEN WAS NOT --

QUESTION ON PAGE 26,

"WAS CONGRESSMAN HANSEN INVOLVED IN THIS AT ALL? "

THIS WAS THE MATTER OF THE LOAN.

ANSWER, "NO."

YOU RECALL HAVING TOLD THAT TO MR. WEINGARTEN?

A. I BELIEVE SO, YES, SIR.

Q. YOU RECALL HAVING TOLD MR. WEINGARTEN THAT YOU HAD, -- AND THIS IS WITH REGARD TO THE SILVER TRANSACTION. YOU WERE ASKED, "DURING THE COURSE OF ALL THIS, DID YOU HAVE ANY CONVERSATIONS WITH THE CONGRESSMAN? " ANSWER.

THIS IS PAGE 34.

" I CAN'T RECALL TALKING TO HIM ABOUT IT AT ALL."

SO YOU HAD NO CONVERSATIONS WITH THE CONGRESSMAN ABOUT ANY OF THOSE MATTERS?

A. THAT IS CORRECT, YES, SIR?

Q AND WAS IT TRUE, MR. HUNT, THAT RIGHT FROM THE VERY OUTSET OF THE DISCUSSIONS, YOU SAID THAT YOU THOUGHT IN ORDER TO AVOID ANY POSSIBILITY OF ANY CLAIM OF IMPROPRIETY, THAT YOU WANTED TO HELP ONLY MRS. HANSEN?

A. THAT IS CORRECT.

Q. WHEN YOU SPOKE WITH MR. NICHOLS ABOUT THE SOYBEAN TRANSACTION, YOU TOLD HIM TO CONTACT ONLY MRS. HANSEN, IS THAT RIGHT?

A. THAT IS RIGHT, YES, SIR.

Q. AND WHEN YOU SPOKE TO MR. MING ABOUT THE SILVER TRANSACTION, WHOM DID YOU TELL HIM TO CONTACT?

A. MRS. HANSEN. I TOLD HIM THAT SHE WAS AT THE CONGRESSMAN'S OFFICE WHERE SHE WORKED, AND THAT THAT WAS THE NUMBER, OR THE PLACE SHE COULD BE REACHED.

Q. AT THE CONGRESSMAN'S OFFICE?

A. YES, SIR.

Q. BUT YOU DIDN'T TELL HIM TO CALL CONGRESSMAN HANSEN?

A. NO, I DIDN'T.

Q. WITH REGARD TO THOSE TWO TRANSACTIONS, MR. HUNT, THEY WERE THE SOYBEAN AND SILVER TRANSACTIONS. ARE THEY MONUMENTAL EVENTS IN YOUR LIFE IN ANY WAY?

A. NO, THEY WERE QUITE MINOR.

Q. DID YOU CONSIDER THEM MINOR WHEN THEY HAPPENED?

A. WELL, YES, THEY WERE MINOR TO ME. I WAS JUST TRYING

TO HELP A FRIEND, AND, YOU KNOW, I HAVE DONE THAT TYPE OF THING DOZENS OF TIMES, SO IT REALLY WAS NOT A MAJOR THING.

Q. SO THAT IT IS NOT SOMETHING THAT STICKS OUT IN YOUR MIND AS A VERY MEMORABLE EVENT WITH ALL OF ITS DETAILS?

A. THAT IS CORRECT, YES, SIR.

Q. AND IN FACT, AS YOU RECOUNT IT NOW ON THE WITNESS STAND, YOU ARE NOT REALLY SURE ABOUT ALL OF THE DETAILS OF THE CONVERSATIONS YOU MAY HAVE HAD WITH MR. MING, OR WITH MR. NICHOLS?

A. I, YOU KNOW, AFTER SIX, 8 YEARS, IT GETS PRETTY HAZY. IT REALLY DOES, OR EVEN FOUR OR FIVE.

Q. IT IS TRUE, IS IT NOT, HOWEVER, MR. HUNT, THAT IN THE COURSE OF YOUR INTERVIEW WITH MR. WEINGARTEN AND MR. COLE, THE QUESTIONS THAT WERE ASKED WERE REPEATEDLY PUT IN TERMS OF YOUR HELPING THE HANSEN OR CONGRESSMAN HANSEN?

MR. WEINGARTEN: YOUR HONOR, I RESPECTFULLY OBJECT. MAY WE APPROACH THE BENCH?

THE COURT: ALL RIGHT, WILL YOU STEP DOWN, MR. HUNT?

AT THE BENCH:

MR. WEINGARTEN: THIS IS NOT PROPER CROSS-EXAMINATION. HE IS ESSENTIALLY READING FROM THAT DOCUMENT. HE HASN'T BEEN IMPEACHED THIS WITNESS. HE HAS AGREED WITH EVERYTHING HE SAID. THERE'S NO POINT IN IT EXCEPT HE WANTS TO READ THAT DOCUMENT.

MR. LEWIN: FIRST OF ALL, YOUR HONOR, THE DOCUMENT IF IT IS ADMISSIBLE FROM MR. WEINGARTEN'S VANTAGE POINT IT IS

SUBSTANTIALLY ADMISSIBLE FROM MINE AS WELL TO THAT EXTENT. IT IS MR. WEINGARTEN'S WITNESS AND I THINK I AM ENTITLED TO PRESENT TO THE WITNESS AND HAVE HIM ADOPT THE STATEMENTS HE MADE TO MR. WEINGARTEN AND PRECISELY THIS QUESTION AS A MATTER OF FACT GOES TO A VERY PARTICULAR ELEMENT WHICH IS THAT HE WAS VERY CLEAR THAT IT WAS MRS. HANSEN WHOM HE DEALT WITH EVEN THOUGH THE PROSECUTOR HAS REPEATEDLY TRIED TO GET HIM TO STAY WITH " CONGRESSMAN HANSEN. " HE ASKED HIM I THINK 3 SEPARATE OCCASIONS AND I THINK I AM ENTITLED TO BRING THAT TO THE JURY'S ATTENTION. THE QUESTION HE KEEPS ASKING, " WAS IT THE HANSENS YOU WERE HELPING? " HE SAID NO IT WAS MRS. HANSEN. AND I THINK I AM ENTITLED TO PRESENT THAT TO THEM AND PRESENT THAT TO THE JURY AS WELL THAT HE WAS CLEAR AT THAT POINT THAT IT WAS MRS. HANSEN.

MR. WEINGARTEN: THAT IS THE QUESTION. "ARE YOU CLEAR NOW AND WERE YOU CLEAR THEN THAT IT WAS MRS. HANSEN YOU WERE TRYING TO HELP? " BUT WHAT HE IS TRYING TO DO IS GO THROUGH THE INVESTIGATIVE PROCEDURES WE USED.

THE COURT: IT CAN BE VERY SIMPLY DONE. YOU ASK, " DID YOU EVER SAY ANYTHING TO CONGRESSMAN HANSEN? "

MR. LEWIN: THE POINT IS THAT ALTHOUGH BOTH MR. WEINGARTEN AND MR. COLE TRIED TO HAVE HIM SAY -

MR. WEINGARTEN: THAT IS A CHARACTERIZATION.

MR. LEWIN: I'LL READ THE QUESTION AND ANSWERS. THAT

IS ALL I WANT. HE SAYS, NO, IT WAS MRS. HANSEN. WHAT WOULD YOU PREVENT HIM FROM SAYING -- HE SAID I DIDN'T SAY " THE HANSENS. " YOU SAID THE HANSENS. I SAID, " MRS. HANSEN". AND THERE ARE TWO OTHER OCCASIONS WHERE THIS WITNESS WAS ENTIRELY CLEAR THAT HE WAS SAYING I HAVE DEALT WITH MRS. HANSEN, WHEREAS, THE SUGGESTION COMES FROM THE GOVERNMENT: NO, IT WAS CONGRESSMAN HANSEN OR " THE HANSENS. " HE SAYS HE IS VERY VAGUE BUT THE INFERENCE IS CLEAR. I THINK I AM ENTITLED TO BRING THAT TO THE JURY'S ATTENTION THAT IT WAS MRS. HANSEN.

MR. WEINGARTEN: THAT IS NOT THE PROPER VEHICLE. IF HE SEEKS TO DO THAT, LET HIM ADMIT THAT DOCUMENT AND PUBLISH FROM A DOCUMENT AND WE ARE ENTITLED TO PUBLISH ANYTHING WE WANT.

THE COURT: YOU ARE DOING PRIOR CONSISTENT STATEMENT?

MR. LEWIN: CERTAINLY, TO SOME EXTENT. I AM REHABILITATING THE FACT HE HAS BEEN VERY VAGUE IN TERMS OF HIS TESTIMONY AND RECOLLECTION ABOUT THE "MRS. HANSEN" PART OF IT, AND I WANT TO BE SURE HE WAS CLEAR ON IT.

MR.WEINGARTEN: BEFORE THERE'S A PRIOR CONSISTENT STATEMENT, THERE HAS TO BE A PRIOR INCONSISTENT STATEMENT.

THE COURT: I DON'T THINK HE HAS MADE AN INCONSISTENT STATEMENT, MR. LEWIN. SO, YOU ARE GIVING HIM A PRIOR CONSISTENT STATEMENT. THAT IS THE POINT I AM MAKING.

MR. LEWIN: I UNDERSTAND. THE POINT I AM MAKING IS THE PROSECUTORAL QUESTION WAS PUT IN TERMS OF TRYING TO GET IN AN

INCONSISTENT STATEMENT AND HE SPECIFICALLY REBUTTED IT.

THE COURT: SO, ABC, YOU ARE STILL COMING OUT WITH THE SAME CONSISTENT STATEMENT. AND IT WOULD SEEM THAT WOULD EMPHASIZE IT. BUT YOU CAN ASK HIM IF HE EVER SAID ON ANY PRIOR OCCASION SOMETHING LIKE THAT.

THE COURT: ALL RIGHT. MR. HUNT, YOU COME BACK TO THE STAND, PLEASE.

IN OPEN COURT:

CROSS EXAMINATION (CONTINUED)

BY MR. LEWIN:

Q. MR. HUNT, YOU SAID THAT ON SOME THINGS, MAYBE YOUR MEMORY WAS SOMEWHAT VAGUE. IS IT CLEAR, HOWEVER, THAT YOU DEALT, OR THAT YOU WERE TRYING TO ASSIST MRS. HANSEN IN ALL THESE EFFORTS?

A. YES, THAT IS CORRECT.

Q. AND YOU HAVE ALWAYS MADE THAT CLEAR TO THE PROSECUTORS?

A. YES, I DID. I THINK I DID, ANYWAY. I INTENDED TO.

Q. NOW, WITH REGARD TO THE LOAN THAT FOLLOWED -- LET'S GO BACK. I AM SORRY. LET'S GO BACK TO THE SOYBEAN TRANSACTION FOR A MOMENT. IT WAS YOUR TESTIMONY THAT YOU MADE THE DECISIONS THAT RESULTED IN THAT LOSS IN THE SOYBEAN TRANSACTION?

A. WELL, I GAVE THE ADVICE THAT RESULTED IN THE LOSS, YES, SIR.

Q. AND, NONETHELESS, YOU VIEWED THAT LOSS AS BEING AN OBLIGATION THAT MRS. HANSEN HAD TO INCUR?

A. YES, SIR.

Q. AND IT WAS FOR THAT REASON THAT SHE HAD TO COME OUT TO DALLAS TO TAKE OUT A LOAN?

A. YES, SIR.

Q. AND YOU WERE NOT PREPARED -- OR, YOU WERE NOT GOING AT THAT POINT SIMPLY TO SAY I'LL WRITE OUT A CHECK FOR THAT LOSS AND PAY IT MYSELF?

A. NO, I WAS NOT.

Q. BECAUSE, YOU VIEWED IT IS A BEING HERS?

A. EXCUSE ME?

Q. BECAUSE YOU VIEWED THE OBLIGATION AS BEING HER OBLIGATION?

A. YES, I DID.

Q. AND YOU STILL VIEW THAT TODAY?

A. YES, SIR.

Q. SO MUCH SO THAT YOU REQUIRED HER TO SIGN THE NOTES AFTER YOU PURCHASED THAT OBLIGATION, IS THAT CORRECT?

A. YES.

Q. NOW, SO FAR AS THAT OBLIGATION IS CONCERNED, YOU HAVE ASKED FOR PAYMENT?

A. I AM SORRY? I DIDN'T UNDERSTAND YOU.

Q. HAVE YOU ASKED FOR PAYMENT ON THE NOTES?

A. YES, I HAVE.

Q. DID YOU PERSONALLY DO SO OR DID YOU HAVE ANYBODY ELSE DO SO?

A. I HAD LETTERS WRITTEN, AND I BELIEVE THAT I CALLED MRS. HANSEN ONE TIME I BELIEVE, AND ASKED HER TO MAKE PAYMENT ON IT, YES, SIR.

Q. AND WHY HAVEN'T YOU BEEN MORE AGGRESSIVE WITH REGARD TO COLLECTING PAYMENT ON THOSE TWO NOTES?

A. I GUESS I AM A BAD BILL COLLECTOR. IN OTHER WORDS, I HAVE DONE WHAT I FELT I COULD DO. MAYBE, I HAVE NOT BEEN AS AGGRESSIVE AS I SHOULD HAVE BEEN. I HAVE UNFORTUNATELY MANY SITUATIONS, HAVING NOTHING TO DO WITH CONGRESSMEN, SIMILAR TO THIS WHERE I HAVE LENT PEOPLE MONEY AND HAVE BEEN UNABLE TO COLLECT, SO IT IS NOT A UNIQUE EXPERIENCE.

Q SO, THERE ARE MANY PEOPLE WHO OWE YOU MONEY AND YOU HAVE NOT AGGRESSIVELY TRIED TO COLLECT?

A. WELL, I HAVE TRIED EVERYTHING OTHER THAN PUTTING THEM IN BANKRUPTCY OR GO AND MOVE IN WITH THEM, BUT I HAVE TRIED TO COLLECT. BUT, COLLECTING MONEY SOMETIMES TURNS OUT TO BE VERY DIFFICULT.

Q. DO YOU KNOW OTHER SENATORS AND CONGRESSMEN, MR. HUNT?

A. YES, I DO.

Q. ABOUT HOW MANY DO YOU KNOW?

A. 25 OR 30 NOT INTIMATELY. I KNOW THEM, BUT NOT CLOSELY.

Q. NOW, YOU HAVE TESTIFIED, I THINK, IN ANSWER TO MR. WEINGARTEN'S QUESTIONS, THAT YOU BELIEVED THAT YOU DID PROVIDE SOME POLITICAL CONTRIBUTIONS IN THE PAST TO CONGRESSMAN HANSEN. ARE YOU SURE OF THAT OR IS THAT JUST AN IMPRESSION THAT YOU HAD?

A. WELL, I COULDN'T SWEAR ON THE BIBLE THAT THAT WAS THE CASE BUT THAT IS MY MEMORY. I MAY HAVE SUPPORTED CONGRESSMAN HANSEN IN ONE OR TWO CAMPAIGNS WITH, A THOUSAND DOLLARS OR WHATEVER. I BELIEVE THAT WAS THE CONTRIBUTION.

Q. THAT'S SORT OF GENERAL RECOLLECTION?

A. YES, IT IS. BUT, THERE IS A FEDERAL RECORD ON THAT, SO, I GUESS WHATEVER THE RECORD SAYS WOULD HAVE TO BE THE CASE.

Q. IS IT POSSIBLE, MR. HUNT, THAT YOU WERE CONFUSING CONGRESSMAN HANSEN WITH ANOTHER CONGRESSMAN FROM IDAHO, OR WITH A SENATOR FROM IDAHO?

A. WELL, IT IS POSSIBLE, YES, SIR.

Q. AND YOU MIGHT ACTUALLY CONTRIBUTED TO THEIR CAMPAIGNS AND NOT TO CONGRESSMAN HANSEN?

A. WELL, IT IS POSSIBLE. I THINK I HAVE CONTRIBUTED TO ANOTHER SENATOR'S CAMPAIGN. A SENATOR FROM IDAHO, YES.

Q THAT IS SENATOR SIMMS?

A. YES, SIR, I BELIEVE SO.

Q. NOW, LET ME ASK YOU, MR. HUNT WHETHER THERE CAME A TIME IN 1981, WHEN THE MATTER OF THE SILVER TRANSACTION WAS BROUGHT TO YOUR ATTENTION BY RECEIPT OF ANY LETTER IN YOUR OFFICE?

A. YES, SIR.

Q. AND COULD YOU JUST DESCRIBE FOR THE COURT AND JURY WHAT HAPPENED AT THAT TIME?

A. WELL, I RECEIVED AN ANONYMOUS LETTER, PRETTY WELL

PREPARED, I GUESS YOU WOULD SAY, MAYBE A PAGE AND A HALF, OR TWO PAGES. A PAGE AND A HALF FROM SOMEONE SAYING THAT THERE HAD BEEN A BRIBE PAID BY ME TO CONGRESSMAN HANSEN, AND UNLESS I PAID THEM FOUR HUNDRED THOUSAND DOLLARS OR WHATEVER THE FIGURE WAS, INTO A CAYMAN ISLAND BANK ACCOUNT, THEY WERE GOING TO GO TO THE JUSTICE DEPARTMENT OR THE F B I.

Q. DID YOU PAY A BRIBE TO CONGRESSMAN HANSEN?

A. NEVER, TO HIM OR ANYONE ELSE.

Q. WOULD IT HAVE MADE SENSE FROM YOUR VANTAGE POINT TO PAY A BRIBE TO CONGRESSMAN HANSEN?

A. NO, I AM NOT IN THE BRIBE-PAYING BUSINESS AND I HAVE NEVER PAID A BRIBE TO ANYBODY.

Q. AND IT IS A FACT, IS IT NOT, THAT CONGRESSMAN HANSEN'S VOTING RECORD WAS CONSISTENT WITH JUST ABOUT EVERYTHING YOU STOOD FOR OR WANTED TO HAVE A CONGRESSMAN VOTE ON?

A. THAT IS RIGHT. HE IS ABOUT A HUNDRED PER CENT CONSERVATIVE, AND THOSE ARE LARGELY MY VIEWS.

MR. LEWIN: I WOULD LIKE THIS MARKED AS DEFENDANT'S EXHIBIT TWO.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT NUMBER TWO MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED DEFENDANT'S EXHIBIT NO 2 FOR IDENTIFICATION.)

BY MR. LEWIN:

Q. I SHOW YOU, MR. HUNT, WHAT I HAVE MARKED AS DEFENDANT'S NUMBER TWO FOR IDENTIFICATION, AND I ASK YOU WHETHER THAT DOCUMENT IS FAMILIAR TO YOU?

A. YES, SIR, I HAVE SEEN THIS BEFORE.

Q. AND WHAT IS IT?

A. IT IS WHAT I WOULD CLASS AS AN EXTORTION LETTER FROM A PARTY UNKNOWN TO PAY FOUR HUNDRED -- HE WANTS A FOUR HUNDRED AND 40 THOUSAND DOLLARS LOAN FOR 120 DAYS. AND IF I DON'T MAKE THE LOAN, TO CAYMAN NATIONAL BANK AND TRUST COMPANY LIMITED, GRAND CAYMAN ISLAND, ACCOUNT NUMBER 60 615, HE IS GOING TO GO TO THE F B I AND SAY THAT I BRIBED GEORGE HANSEN.

Q. SO THAT IS THE LETTER THAT YOU WERE DESCRIBING JUST A MOMENT AGO, YOU RECEIVED IT AROUND MARCH 31, YOU RECALL THAT?

A. I WOULDN'T RECALL THE DATE, BUT WHATEVER THE DATE WAS. IT DOESN'T SEEM TO BE ON THE LETTER. I DON'T KNOW WHEN IT CAME.

MR. LEWIN: WE OFFER DEFENDANT'S TWO IN EVIDENCE, YOUR HONOR.

MR. WEINGARTEN: NO OBJECTION.

THE COURT: IT WILL BE RECEIVED.

MR. LEWIN: WE WOULD LIKE TO PUBLISH IT TO THE JURY.

THE COURT: MAY I SEE IT THE ORIGINAL?

MR. LEWIN: WE WOULD LIKE TO PUBLISH IT TO THE JURY, YOUR HONOR. WE HAVE MADE COPIES.

THE COURT: ALL RIGHT. PUBLICATION TO THE JURY, LADIES AND GENTLEMEN. MEANS THAT A COPY OF THE DOCUMENT THAT HAS NOW

BEEN ADMITTED WITHOUT OBJECTION, DEFENDANT'S NUMBER TWO, WILL BE PASSED AMONG EACH OF THE MEMBERS OF THE JURY.

I WOULD ASK THAT YOU LOOK AT IT VERY BRIEFLY NOW THAT IT IS IN EVIDENCE. EVENTUALLY, YOU WILL HAVE ONE, THE ORIGINAL, BACK WITH YOU IN THE CONFINES OF THE JURY ROOM. THIS IS JUST SO YOU WILL HAVE A QUICK VIEWING OF THAT WHICH IS UNDERGOING TESTIMONY. PLEASE LOOK AT IT VERY RAPIDLY AND THEN IT WILL BE COLLECTED BY THE MARSHAL, AND WE WILL GO ON WITH THE TESTIMONY.

ALL RIGHT. HAVE OUR JURORS HAD AN OPPORTUNITY TO VIEW THE DOCUMENT? THOSE WHO HAVE, WOULD YOU KINDLY GIVE THE COPY TO THE MARSHAL, AND WE WILL MOVE ALONG IN TESTIMONY. HAVE YOU RECEIVED A COPY BACK FROM EACH OF THE JURORS? ALL RIGHT. THANK YOU. HAVE YOU RECEIVED A COPY BACK FROM EACH OF THE JURORS? ALL RIGHT.

LET'S CONTINUE.

BY MR. LEWIN:

Q. MR. HUNT, THE SECOND PARAGRAPH OF THAT LETTER, AFTER DESCRIBING THE SILVER CONTRACTS, STATES, "TO HELP HIDE THE PAYOFF, YOU OPENED THE ACCOUNT IN THE NAME OF CONNIE HANSEN, REPRESENTATIVE GEORGE HANSEN'S WIFE."

WAS THAT THE REASON WHY YOU TOLD MR. MING TO CONTACT CONNIE HANSEN, TO HIDE A PAYOFF?

A. NO, ABSOLUTELY NOT.

Q. AND WHAT WAS THE REASON?

A. WELL, THE REASON WAS, AS THE TESTIMONY HAS BEEN, THAT

THE TRANSACTION WITH CONNIE HANSEN, TO HELP HER, AND SHE WOULD HELP HER FAMILY, I AM SURE.

Q. LATER IN THAT PARAGRAPH, IT SAYS, AFTER STATING THAT THE SILVER POSITIONS WERE SOLD FOR A PROFIT OF \$87,475, IT SAYS "HOWEVER HANSEN COULD NOT HAVE THE MONEY SENT TO HIM BECAUSE HE HAD A MARGIN CALL OF A HUNDRED AND 25 THOUSAND DOLLARS THAT WAS REQUIRED TO CARRY THE POSITION, THEREFORE, YOU WIRED OR CAUSED TO BE WIRED, A HUNDRED 25 THOUSAND DOLLARS TO THE BROKER IN HANSEN'S NAME. THIS REMOVED HIS OBLIGATION, AND ALLOWED THE PROFIT TO BE WIRED TO HIM THE NEXT DAY COMPLETING THE PAYOFF."

WAS ANY PART OF THAT TRUE?

A. NO, I DON'T HAVE ANY RECOLLECTION OF THAT BEING CORRECT. THE RECORD WILL HAVE TO SPEAK FOR ITSELF, BUT I DON'T KNOW ANYTHING ABOUT THAT.

Q. DID YOU PARTICIPATE IN ANY WAY IN GETTING THAT MARGIN CALL?

A. I DON'T BELIEVE SO, NO SIR.

Q. IN FACT, YOU TOLD, YOU HAVE ALWAYS TOLD MR. WEINGARTEN AND THE F B I THAT YOU WERE NOT INVOLVED IN SECURING THAT IN ANY WAY, ISN'T THAT A FACT?

A. WELL, THAT IS MY RECOLLECTION THAT I WAS NOT.

THE COURT: EXCUSE ME. IS IT YOUR RECOLLECTION THAT YOU TOLD IT TO THE PROSECUTOR OR IS IT YOUR RECOLLECTION THAT THIS IS WHAT HAPPENED?

THE WITNESS: YOUR HONOR, IT IS MY RECOLLECTION THAT I

DIDN'T SEND OR HAVE 125 THOUSAND DOLLARS IN MARGIN MONEY SENT THERE, BUT THAT IS MY RECOLLECTION. I DON'T RECALL WHAT I TOLD THE PROSECUTOR. I AM SURE I TOLD HIM THE SAME THING.

BY MR. LEWIN:

Q. COULD YOU JUST EXPLAIN TO THE COURT AND JURY WHAT IS THIS MATTER OF MARGIN MONEY? WHAT IS THAT?

A. WELL, WHEN YOU BUY A CONTRACT, YOU PUT UP WHATEVER THE MARGIN REQUIREMENTS ARE. THEY VARY FROM TIME TO TIME. IT IS USUALLY FIVE TO 10 PER CENT. IT CAN BE HIGHER THOUGH. THEN, IF THE MARKET FLUCTUATES DOWN, IF IT DROPS, YOU HAVE TO PUT UP ADDITIONAL MONEY TO COVER THE DROP. IF IT GOES UP, THE BROKERAGE COMPANY SENDS YOU MONEY. IT IS A PRETTY MUCH DAILY OR SOMETIMES WEEKLY, BUT USUAL DAILY SITUATION.

Q. IS IT FAIR TO SAY IT IS FUNDS THAT YOU HAVE TO POST WITH THE COMMODITIES BROKER TO COVER POSSIBLE LOSSES THAT MIGHT BE INCURRED IF THE VALUE OF THE CONTRACT WENT DOWN?

A. YES, SIR, I THINK THAT IS A FAIR EXPLANATION.

Q. AND IN THIS CASE, IN FACT, THERE HAD BEEN A PROFIT IN TWO DAYS OF 87 THOUSAND, SO THE HUNDRED 25 THOUSAND WAS JUST SIMPLY A FORMALITY, WASN'T IT; IN OTHER WORDS, YOU HAD TO PROVIDE THE 125 THOUSAND IN ORDER TO GET THE 125 THOUSAND BACK WITH THE PROFIT, OR MRS. HANSEN HAD TO DO THAT?

A. I THINK THAT IS CORRECT. WITH SOME COMPANIES IT VARIES, I BELIEVE FROM BROKER TO BROKER, BUT SOME OF THEM REQUIRE THAT YOU PAY WITHIN 3 DAYS, AND SOME WITHIN TWO DAYS.

OR MAYBE IT DEPENDS ON WHAT THE COMMODITY IS, WHAT THE RULES OF THE EXCHANGE ARE.

Q. BUT, IF IT IS A COMPLETED TRANSACTION, AND THERE IS JUST AN 87 THOUSAND DOLLARS PROFIT WAITING FOR YOU ONCE YOU PAY THE MARGIN, IT MEANS YOU PAY THE 125 THOUSAND AND THEN YOU CAN WITHDRAW THE 125 THOUSAND PLUS THE 87 THOUSAND DOLLARS PROFIT, ISN'T THAT RIGHT?

A. I GUESS THAT IS RIGHT, SIR. I NEVER REALLY HANDLE THOSE DETAILS EVEN IN MY OWN OPERATION. I HAVE FINANCIAL PEOPLE THAT HANDLE THEM, SO I AM NOT AS INTIMATE WITH THEM AS I SHOULD BE.

Q. WELL, LET ME ASK YOU SOMETHING ELSE WHICH I GUESS CAME UP IN THE COURSE OF YOUR DIRECT EXAMINATION IN PART, TOO. WITH REGARD TO SOYBEANS OR SILVER FUTURES, IN THE ORDINARY COURSE OF TRADING IN THOSE, IS IT EXPECTED THAT THE COMMODITIES WILL ACTUALLY PHYSICALLY BE DELIVEREDED TO YOU AT SOME POINT IN THE FUTURE?

A. WELL, IT CAN BE, BUT IN THE MAJORITY OF CASES, CERTAINLY, IT IS NOT. IN THE OVERWHELMING MAJORITY OF CASES, IT IS NOT.

Q. SO, THAT ALL THAT HAPPENS, IT IS SORT OF A PAPER TRANSACTION, YOU BUY FUTURES AND YOU SELL FUTURES.

A. THAT IS CORRECT, YES, SIR.

Q. AND YOU EITHER REALIZE A PROFIT OR TAKE A LOSS?

A. GENERALLY, THAT IS CORRECT.

Q. AND THE TOTAL VALUE OF THE COMMODITY AT SOME FUTURE DATE IS REALLY NOT A REALISTIC MEASURE OF WHAT IS GOING ON IS THAT RIGHT, OF WHAT IS AT STAKE, BECAUSE YOU CAN SELL THE CONTRACT?

A. YES. I AM NOT JUST SURE WHAT YOU MEAN BY THAT.

Q. MAYBE I PHRASED IT THE WRONG WAY. WHEN YOU BUY A FUTURES CONTRACT IN SOYBEANS OR IN SILVER -- OR 125 CONTRACTS -- YOU ARE ARE NOT REALLY BUYING WHAT MIGHT BE MILLIONS OF DOLLARS WORTH OF COMMODITIES; YOU ARE BUYING THE RIGHT TO DEAL IN THAT AT SOME -- OR THE OBLIGATION TO RECEIVE THAT AT SOME POINT IN THE FUTURE?

A. YES, SIR, UNLESS YOU SELL.

Q. UNLESS YOU SELL. AND IN THE ORDINARY CASE, WHAT YOU DO IS YOU SELL SO THAT THE GOODS NEVER ARRIVE AT YOUR DOOR STEP?

A. YES, SIR, THAT IS RIGHT.

Q. O. K.

NOW, GOING BACK TO THIS DEFENDANT'S EXHIBIT TWO, MR. HUNT, WHEN YOU RECEIVED THIS LETTER, YOU RECEIVED IT AT YOUR OFFICE?

A. YES, I DID.

Q. AND DO YOU RECALL WHAT YOU DID AFTER YOU RECEIVED IT?

A. YES, I CALLED MY LAWYER AND GAVE HIM, HANDED IT TO HIM, AND ASKED HIM WHAT HE THOUGHT ABOUT IT.

Q. AND WHICH LAWYER WAS THAT?

A. IVAN IRWIN.

Q. THAT IS THE SAME ATTORNEY WHOM YOU SAY YOU PREVIOUSLY NAMED WHO HAS BEEN COOPERATIVE IN TERMS OF THE PROSECUTION, AND GIVEN THEM ALL THE INFORMATION?

A. YES, SIR.

Q. AND YOU SAY YOU SHOWED THE LETTER TO MR. IRWIN AND WHAT DID YOU SAY TO MR. IRWIN?

A. I SAID SOMETHING LIKE, YOU KNOW, WE GET A LOT OF WHAT I CALL CRANK LETTERS, THREATS, AND ANYBODY GETS YOUR NAME IN THE PAPER VERY OFTEN UNFORTUNATELY ATTRACTS QUITE A LOT OF MAIL, AND A SUBSTANTIAL PART OF IT IS NOT TOO FAVORABLE, AND I SAID, WELL, THIS SEEMS A LITTLE DIFFERENT IN THAT IT IS PRETTY WELL WRITTEN. THE FELLOW SEEMS TO KNOW SOMETHING, BUT, I SAID, I ASKED HIS ADVICE WHETHER WE TURN IT OVER TO THE F B I OR THE JUSTICE DEPARTMENT, OR JUST WHAT, AND I SAID MAYBE WE SHOULD CALL CONGRESSMAN HANSEN SINCE HE IS MENTIONED IN THE LETTER.

Q. O. K.. DID YOU ALSO TELL MR. IRWIN IN THAT INITIAL MEETING WHETHER IT WOULDN'T BE SMART MAYBE TO IGNORE THE LETTER BECAUSE IT MIGHT EVEN THOUGH YOU WERE INNOCENT, IT MIGHT JUST LEAD TO AN INVESTIGATION IN WHICH YOU MIGHT BE VILIFIED IN SOME WAY?

A. YES, I RAISED THAT POSSIBILITY.

Q. AND YOU SAID THAT TO MR. IRWIN?

A. I BELIEVE I DID, YES, SIR. I SAID, YOU KNOW, THERE'S NOTHING TO THIS. WHAT THIS GUY SAYS, WHOEVER WROTE THE LETTER IS CRAZY, BUT THE PROBLEM IS IF YOU TAKE IT TO THE GOVERNMENT, THEY WILL END UP INVESTIGATING ME, AND LEAD TO HAVING ALL THE LEGAL PROBLEMS AND TIME WITH DEALING WITH THAT. I SAID, FRANKLY, IF WE IGNORE THE LETTER, I THINK THAT WILL BE THE END OF IT. I THINK THAT IS JUST SOME GUY TRYING TO RIP OFF FOUR HUNDRED THOUSAND. BUT, I SAID, I DON'T CARE. IF YOU RECOMMEND SHOWING IT TO THE F B I OR SHOWING IT TO THE GOVERNMENT THAT IS FINE WITH ME.

Q. DID YOU HAVE A CONVERSATION AT THAT TIME WITH CONGRESSMAN HANSEN?

A. YES, I BELIEVE WE CALLED HIM ON THE TELEPHONE.

Q AND YOU TOLD HIM THAT YOU RECEIVED SUCH A LETTER?

A. YES, I DID.

Q. AND COULD YOU PLEASE TELL US WHAT CONGRESSMAN HANSEN'S IMMEDIATE REACTION WAS?

A. HIS IMMEDIATE REACTION WAS TO GO TO THE ATTORNEY GENERAL OR THE JUSTICE DEPARTMENT RIGHT HERE IN WASHINGTON AND TURN THE LETTER OVER TO THEM FOR THEIR DISPOSITION AND ASK THEM TO PROSECUTE THE SENDER.

IN FACT, THAT WAS MY UNDERSTANDING, THAT IT WAS TO FIND OUT WHO WAS DOING THE SLANDER, AND TO PROSECUTE THEM, WHO WAS ATTEMPTING TO DO THE EXTORTION.

Q. AND HE TOLD THAT TO YOU ON THE PHONE DURING THAT FIRST CONVERSATION?

A. WELL, I AM NOT SURE IT WAS THE FIRST CONVERSATION OR A SUBSEQUENT CONVERSATION. I BELIEVE IRWIN ACTUALLY BROUGHT THE

LETTER UP TO WASHINGTON AND SHOWED IT TO CONGRESSMAN HANSEN.

Q. BUT YOU DO RECALL, YOU REMEMBER MR. WEINGARTEN ASKING YOU, DO YOU RECALL ANY TELEPHONE CONVERSATION YOU MIGHT HAVE HAD WITH HIM, THAT IS, WITH CONGRESSMAN HANSEN, AND YOU SAID, WELL, I AM NOT SURE. I TALKED TO HIM AT ONE TIME QUITE EARLY AND HE WANTED TO GO SEE THE ATTORNEY GENERAL. HE WAS VERY INSENSED THAT ANYBODY WOULD QUESTION HIS MOTIVES MORE OR LESS AND HE WANTED TO PERSONALLY GO SEE THE ATTORNEY GENERAL?

A. YES, I RECALL HE WAS VERY ANXIOUS TO GO SEE THE JUSTICE DEPARTMENT OR THE ATTORNEY GENERAL IN PERSON.

Q. AND TO YOUR KNOWLEDGE DID YOUR REPRESENTATIVE AND CONGRESSMAN HANSEN GO PROMPTLY TO THE DEPARTMENT OF JUSTICE AND SEE IF NOT THE ATTORNEY GENERAL THE NEXT PERSON IN THE DEPARTMENT OF JUSTICE?

A. I BELIEVE THEY DID, YES, SIR. I AM NOT SURE WHO THEY SAW BUT THEY DID GO TO THE ATTORNEY GENERAL'S OFFICE HERE AND SAW WHOEVER THEY SAW.

Q. WAS THERE ANY INDICATION IN ANYTHING THAT CONGRESSMAN HANSEN SAID TO YOU THAT HE WANTED TO CONCEAL ANY PART OF THAT SILVER TRANSACTION?

A. NEVER, NONE WHATSOEVER. HE WAS VERY ANXIOUS TO GET IT ALL OUT ON THE TABLE.

Q. AND DID YOU THEN THEREAFTER RECEIVE A REPORT FROM YOUR ATTORNEY THAT IN FACT THEY HAD GONE AND SEEN THE DEPARTMENT OF JUSTICE AND LAID IT ALL ON THE TABLE AS YOU SAY?

A. YES, SIR.

Q. MR. HUNT, YOU SAY YOU KNOW 30 CONGRESSMEN AND SENATORS. DO YOU KNOW VARIOUS PEOPLE WHO HAVE INDICATED TO YOU THAT THEY KNOW CONGRESSMAN HANSEN AND ARE FRIENDLY WITH HIM?

A. YES, I KNOW SEVERAL. YES, SIR.

Q. AND HAVE YOU HAD OCCASION OVER THE COURSE OF YEARS TO DISCUSS CONGRESSMAN HANSEN'S REPUTATION AMONG THE PEOPLE WHOM YOU TALKED WITH ABOUT CONGRESSMAN HANSEN?

A. YES, I HAVE, YOU KNOW, GENERALLY DISCUSSED WHAT DO YOU THINK OF SO AND SO. SUCH AND SUCH A SENATOR OR CONGRESSMAN. AND I HAVE HAD THAT TYPE OF CONVERSATIONS, YES.

Q. AND PEOPLE HAVE EXPRESSED TO YOU THEIR OPINIONS OF CONGRESSMAN HANSEN?

A. YES, SIR.

Q. AND HAVE THEY EXPRESSED TO YOU --

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

THE COURT: YES, YOU MAY.

AT THE BENCH:

THE COURT: YOU HAVE NOT CALLED MR. HUNT. HE IS NOT HERE AS YOUR WITNESS AND YOU ARE GOING TO USE HIM AS A CHARACTER WITNESS?

MR. LEWIN: YES.

THE COURT: I NOTICE YOU HAD NOTICED 3 ADDITIONAL PEOPLE ON YOUR WITNESS LIST WHOM I HAD ASSUMED, PERHAPS ERRONEOUSLY, WOULD BE PEOPLE CALLED AS CHARACTER WITNESSES.

MR. LEWIN: THAT IS TRUE. BUT I THINK I AM ENTITLED WITH REGARD TO ANY OF THE THE GOVERNMENT'S WITNESSES IN TERMS OF THEIR TESTIMONY ABOUT CONGRESSMAN HANSEN ALSO TO GET THEIR OPINION IF THEY ARE QUALIFIED ABOUT HIS CHARACTER, HIS REPUTATION FOR TRUTH AND VERACITY, AND I THINK THIS GENTLEMEN IS QUALIFIED. AND I DON'T SEE WHY I SHOULD BE PRECLUDED FROM DOING THAT.

THE COURT: I AM JUST ASKING WHAT YOU ARE TRYING DO, MR. LEWIN.

MR. WEINGARTEN: I KNOW THE COURT'S RULING ON THIS. I REPRESENT TO MY KNOWLEDGE MR. HUNT KNOWS ABOUT THE PRIOR CONVICTION IN THIS CASE, HE HAS TALKED ABOUT THE PRIOR CONVICTION WITH OTHER PEOPLE. AND IT JUST SEEMS TOTALLY UNFAIR IF HE IS GOING TO GIVE HIS OPINION ABOUT THE HIGHEST INTEGRITY, AND IF HE KNOWS ABOUT THE CONVICTION IN THE PAST THAT IS A SUBJECT WE CAN'T GET INTO.

MR. LEWIN: THAT STATEMENT THE COURT HAS RULED OUT, I SUBMIT CORRECTLY, AND THAT STATEMENT HAS NOTHING TO DO WITH THE CONGRESSMAN'S REPUTATION AND INTEGRITY. ABSOLUTELY.

THE COURT: WELL, THE CONVICTION IS OUT AND I RULED IT WAS OUT FOR A VERY PRECISE REASON, THE INTENT FACTOR.

MR. WEINGARTEN: THE CONVICTION ITSELF MAY BE OUT. BUT MR. HUNT CERTAINLY KNOWS THAT THIS MAN WAS PROSECUTED AND CERTAINLY KNOWS THAT WAS THE REASON LEGAL BILLS WERE ENGENDERED.

MR. LEWIN: THAT IS TRUE OF ANY CHARACTER WITNESS.

MR. WEINGARTEN: I THINK IF THERE IS AN ATTEMPT TO ELICIT A STATEMENT ABOUT HIS CHARACTER, AND HIS INTEGRITY, IT WOULD BE GROSSLY UNFAIR THAT WE ARE NOT ALLOWED TO EXPLORE THAT WITH THIS WITNESS. THE FACT HE WAS PROSECUTED BY THE GOVERNMENT FOR FILING FALSE STATEMENTS; FORGET THE CONVICTION.

THE COURT: YOU MEAN YOU WOULD JUST SAY PROSECUTED WITH NO CONVICTION? YOU SAY FORGET THE CONVICTION?

MR. WEINGARTEN: NO. IF HE WERE ASKED HE WOULD SAY HE WAS PAYING MONEY BECAUSE CONGRESSMAN HANSEN HAD A LOT OF TROUBLES INCLUDING BEING PROSECUTED BY THE GOVERNMENT FOR FILING FALSE STATEMENTS. THE MAN KNOWS.

MR. LEWIN: BUT THE ABSENCE OF CONVICTION MAKES THE ENTIRE THING TOTALLY IRRELEVANT.

THE COURT: RECOGNIZING THE BALANCE -- AND I CERTAINLY RECOGNIZE THERE IS A DEGREE OF UNFAIRNESS TO THIS, MR. WEINGARTEN; I CANNOT DISPUTE THAT; BUT TO OPEN THIS MATTER UP, THERE IS NO WAY I CAN ERADICATE FROM THE MINDS OF THE JURY THAT IT IS ONLY FOR THIS PORTION ONLY, TO BE FAIRER TO YOU, IN GOING INTO ANY CHARACTER EVIDENCE THAT HAS BEEN DEVELOPED.

MR. HUNT HAS MADE ABUNDANTLY CLEAR THROUGHOUT HIS TESTIMONY AND CROSS-EXAMINATION THAT HE HAS A GREAT FONDNESS FOR CONGRESSMAN HANSEN, AND THAT HE CAN DO NO WRONG. HE JUST SAID THOUGH HE CONTRIBUTED TO HIM ON 3 OR FOUR OCCASIONS, HE DIDN'T DO IT AFTER HIS TROUBLES BEGAN WAS HOW HE PUT IT.

MR. WEINGARTEN: IT SEEMS TO ME, MR. HUNT IS A

CHARACTER WITNESS WHO KOWS ABOUT THAT PROSECUTION, AND IF HE RAISES THAT ISSUE -- AND IT IS HIS DECISION -- WE SHOULD BE ALLOWED TO PURSUE IT.

MR. LEWIN: ALL THE CHARACTER WITNESSES COULD --

THE COURT: I DISAGREE WITH YOU, MR. WEINGARTEN. AND IF THEY ARE GOING TO USE YOUR GOVERNMENT WITNESS -- BUT YOU DID, MR. LEWIN, YOU DID HAVE SOMEONE FROM YOUR OFFICE CALL CHAMBERS THE OTHER DAY, AND SAY HOW MANY CHARACTER WITNESSES WE ALLOW.

MR. BRAGA: I DID, YOUR HONOR.

THE COURT: I DON'T RECALL. BUT WE WERE TALKING ABOUT IT GENERALLY. AND I SAID NO MORE THAN 3. AND WE NEVER DID TALK ABOUT IT IN CHAMBERS SO THE RECORD IS CLEAR. AND I AGREE WHEN I SAW THAT ADDITIONAL STATEMENT OF WITNESS AND I COUNTED TO 3. I ASSUMED THAT WAS WHERE WE WERE GOING.

MR. LEWIN: THOSE ARE THE WITNESSES WE INTEND TO CALL SPECIFICALLY TO THE BENCH FOR THAT PURPOSE BUT IF THEY PUT ON ANY OTHER WITNESS WHO IS ABLE TO TESTIFY AS TO THE CONGRESSMAN'S GOOD REPUTATION AND CHARACTER EVEN IF IT IS THEIR WITNESS, I AM ENTITLED TO USE IT FOR THAT.

THE COURT: SOBEIT.

IN OPEN COURT:

THE COURT: COURT ALL RIGHT.

BY MR. LEWIN:

Q. MR. HUNT, I BELIEVE YOU WERE TESTIFYING BEFORE THIS

BRIEF CONFERENCE WE HAVE HAD AT THE BENCH, THAT YOU HAVE TALKED TO PEOPLE ABOUT CONGRESSMAN HANSEN AND WHAT KIND OF A MAN HE IS, AND HIS REPUTATION, IS THAT TRUE?

A. YES, SIR.

Q. AND PEOPLE HAVE EXPRESSED THEIR OPINIONS TO YOU ABOUT CONGRESSMAN HANSEN?

A. YES, SIR.

Q. AND YOU HAVE BEEN ABLE TO FORM A JUDGMENT AS TO WHAT CONGRESSMAN HANSEN'S REPUTATION IS FOR TRUTH AND VERACITY, IS THAT RIGHT?

A. YES.

Q. COULD YOU DESCRIBE FOR US WHAT IS CONGRESSMAN HANSEN'S REPUTATION FOR TRUTH AND VERACITY IN THE COMMUNITY?

A. THE BEST IMPRESSION I GET, THE GENERAL IMPRESSION I GET IS THAT HE IS VERY TRUTHFUL, STRAIGHTFORWARD KIND OF PERSON, PERHAPS A LITTLE IMPULSIVE AT TIMES, BUT VERY VERY HONEST AND STRAIGHTFORWARD.

Q. THANK YOU. NO FURTHER QUESTIONS.

THE COURT: REDIRECT.

REDIRECT EXAMINATION

MR. WEINGARTEN: IF I MAY HAVE DEFENSE EXHIBIT NUMBER TWO, PLEASE, YOUR HONOR.

BY MR. WEINGARTEN:

Q. MR. HUNT, THE BLACKMAIL LETTER IS NOT ALL NONSENSE; IT DOES CONTAIN SOME FACTS THAT OCCURRED, DOES IT NOT?

A. WELL, I HAVEN'T READ THE LETTER SINCE IT ARRIVED, WHENEVER THAT WAS, SO --.

Q. WELL, THERE WAS A PROFIT, FOR $87,475. 87 THOUSAND 475, IS THAT CORRECT?

A. IF YOU SAY THAT IS THE FIGURE I'LL ACCEPT IT. I DIDN'T KNOW WHAT THE AMOUNT WAS.

Q. THE LETTER DESCRIBES THAT ON JANUARY 16, 1979, 125 SILVER CONTRACTS WERE FIRST PURCHASED IN YOUR ACCOUNT AND THEN WERE TRANSFERRED TO CONNIE HANSEN'S ACCOUNT AFTER THE MARKET WENT UP.

NOW, THAT IS TRUE, TOO, ISN'T IT?

A. THAT IS -- YOU WILL HAVE TO ASK THE BROKER ABOUT THAT. I DON'T HAVE ANY KNOWLEDGE OF THAT OTHER THAN YOUR TELLING ME THAT.

Q. IF THE RECORD REFLECTS THAT, THEN THE PERSON WHO WROTE THE LETTER IS REPORTING ACCURATELY, IS HE NOT?

A. WELL, I BELIEVE I HAVE SINCE HEARD THAT HE WORKED FOR THAT FIRM, SO I DON'T KNOW HOW THAT FIRM HANDLED IT.

Q. MR. HUNT, I BELIEVE YOU HAVE BEEN DESCRIBED OR YOU DESCRIBED YOURSELF AS A SOFT TOUCH ON LOANS. NOW, OF COURSE, YOU HAVE SUED PEOPLE, HAVE YOU NOT?

A. HAVE I SUED PEOPLE?

Q. YES.

A. YES, SURE, I HAVE SUED PEOPLE.

Q. OF COURSE. AND SOME PEOPLE YOU HAVEN'T SUED THAT OWE

YOU MONEY, IS THAT CORRECT?

A. YES, I CAN'T EVER RECALL SUING TO COLLECT A LOAN. WELL, THERE HAVE MAY HAVE BEEN AN INSTANCE BUT I DON'T RECALL IT. GENERALLY SPEAKING, ABOUT ALL YOU CAN DO IS PUT SOMEONE IN BANKRUPTCY AND THEN YOU ARE NOT COLLECTING ANYTHING.

Q. SOMETIMES YOU CAN SUE AND CET A JUDGMENT AND COLLECT ON A JUDGMENT, CAN'T YOU?

A. IF THEY HAVE GOT ANYTHING TO PAY, YES, SIR.

Q AND THE HANSENS HAD NOTHING TO PAY?

A. WELL, THAT WOULD BE MY CONCERN, YES, SIR.

Q. I SEE. WHAT WAS THE EXTENT OF YOUR FRIENDSHIP WITH CONNIE HANSEN? WERE YOU CLOSE PERSONAL FRIENDS?

A. NO. I HAD DINNER WITH SHE AND CONGRESSMAN HANSEN ON 3 OR 4 OCCASIONS. MRS. HANSEN VISITED IN OUR HOUSE. I AM NOT SURE WHETHER THE CONGRESSMAN WAS ALONG THAT TIME OR NOT.

Q. WELL, DO YOU KNOW HER ANY BETTER THAN YOU KNOW CONGRESSMAN HANSEN?

A. NO.

Q. YOU KNOW THEM BOTH THE SAME?

A. ABOUT THE SAME, YES.

Q. WHO APPROACHED YOU FOR THE MONEY, CONGRESSMAN HANSEN OR MRS. HANSEN?

A. GEORGE HANSEN APPROACHED ME, AND, AS I HAVE RECOUNTED, SAID HE NEEDED TO RAISE SOME FUNDS, YES.

Q. AND WHOSE DEBTS WERE YOU TRYING TO HELP?

A. WELL, THE HANSEN FAMILY.

Q. WHO WAS EVERYTHING TROUBLE WITH WAYNE HAYS?

A. CONGRESSMAN HANSEN, BUT I GUESS BY THE TIME HE GOT THROUGH PAYING THE BILLS, I GUESS THE WHOLE FAMILY WAS HAVING TROUBLE.

Q. WHAT ABOUT THE LEGAL BILLS? WHO HIRED A LAWYER, WHERE DID THE LEGAL BILLS COME FROM?

A. WELL, I WOULD THINK THAT IF SOMEONE HIRES A LAWYER, IF HE IS MARRIED, HIS WIFE IS GOING TO, THE HUSBAND AND WIFE BOTH ARE GOING TO BE PAYING HALF OF THEM.

Q. MR. HUNT, YOU RECEIVED A BLACKMAIL LETTER ON MARCH 31, 1981, DID YOU NOT?

A. I DIDN'T KNOW THE DATE, BUT I'LL ACCEPT THAT, YES, SIR.

Q. WELL, SIX DAYS PASSED BEFORE ANYONE WENT TO THE DEPARTMENT OF JUSTICE, DID IT NOT?

A. ACTUALLY, MY DESK, SOMETIMES I HAVE AS MANY AS 50 OR A HUNDRED LETTERS LAYING ON MY DESK. PROBABLY, WHEN I GET HOME TOMORROW THERE WILL BE FIFTY THERE.

Q. YOU DON'T DISPUTE, SIR, DO YOU, THAT THAT LETTER CAME TO YOUR ATTENTION TUESDAY, MARCH 31, AND THE VISIT TO THE JUSTICE DEPARTMENT WAS MONDAY, APRIL 6?

A. WELL, I WOULDN'T QUESTION THAT, NO, SIR.

Q. AND YOU SENT YOUR LAWYER, MR. IRWIN, UP TO WASHINGTON TWICE TO CONSULT WITH MR. HANSEN ABOUT THIS, IS THAT CORRECT?

A. YES, SIR, HE WENT UP TO SEE HIM, AND THEN HE LATER, WHEN THEY GOT THE APPOINTMENT AT THE JUSTICE DEPARTMENT, I THINK HE WENT BACK.

Q. NOW, WHEN MR. IRWIN WENT UP TO WASHINGTON TO TALK TO MR. HANSEN ABOUT THIS BLACKMAIL LETTER, THERE WAS SOME BUSINESS TAKEN CARE OF AS WELL, WAS THERE NOT?

A. I AM NOT SURE WHAT YOU ARE REFERRING TO.

Q. WELL, LET ME SHOW YOU THESE NOTES THAT HAVE BEEN ADMITTED INTO EVIDENCE, 26 A, AND 26 B. THESE NOTES WERE DRAFTED AND SIGNED UP IN WASHINGTON IN APRIL, 1981, WERE THEY NOT?

A. WELL, WHENEVER THE DATE WAS, YES, SIR, I DON'T KNOW. BUT I'LL ACCEPT THAT.

Q. AND THEY WERE BACKDATED TO REFLECT INDEBTEDNESS FROM 1978 AND 1980, IS THAT CORRECT?

A. I ASSUME SO, YES, SIR.

Q. AND THAT WAS BEFORE ANYBODY WENT TO THE DEPARTMENT OF JUSTICE WITH THIS BLACKMAIL LETTER, IS THAT CORRECT?

A. WELL, I WOULDN'T HAVE KNOWN THAT, BUT I'LL ACCEPT THAT, YES, SIR.

Q. NOW, MR. LEWIN ASKED YOU WHETHER OR NOT IT WOULD MAKE SENSE FOR YOU TO BRIBE CONGRESSMAN HANSEN.

NOW, WITHOUT SUGGESTING THAT YOU BRIBED CONGRESSMAN HANSEN, IT IS A FACT, IS IT NOT, THAT YOU AND CONGRESSMAN HANSEN AGREE ON A LOT OF THINGS?

A. WELL, YOU MEAN AS FAR AS OUR GENERAL PHILOSOPHICAL

POLITICAL VIEWS?

Q. YES.

A. I WOULD SAY THEY ARE QUITE SIMILAR, YES.

Q. IN ADDITION, YOU HAVE MANY BUSINESS INTERESTS THAT ARE PROFOUNDLY AFFECTED BY WHAT GOES ON ON CAPITOL HILL, IS THAT NOT TRUE?

A. I THINK EVERYONE DOES.

Q AND YOU IN PARTICULAR RELATING TO SUGAR AND SILVER, IS THAT NOT TRUE?

A. EVERY BUSINESS OF EVERY KIND IS AFFECTED A GREAT DEAL BY WHAT HAPPENS IN WASHINGTON, YES, SIR.

Q. LET'S FOCUS ON SUGAR FOR A SECOND. THE GREAT WESTERN COMPANY IN 1979 WAS HEAVILY DEPENDENT ON GOVERNMENT LOANS, IS THAT NOT CORRECT?

A. I AM NOT AN EXPERT ON SUGAR. THEY MAY HAVE HAD SOME GOVERNMENT LOANS. I JUST DON'T KNOW.

Q. AND THOSE LOANS, OF COURSE, ARE AUTHORIZED BY CONGRESS?

A. I ASSUME SO, YES.

MR. LEWIN: YOUR HONOR?

MR.CAMPBELL: MAY WE APPROACH THE BENCH, YOUR HONOR?

AT THE BENCH:

MR. LEWIN: I DON'T KNOW WHERE MR. WEINGARTEN IS INTENDING TO GO. CERTAINLY, IF HE IS INTENDING TO QUESTION WHAT CONGRESSMAN HANSEN DID LEGISLATIVELY ANOTHER PLACE IN THIS COURT, THEN WE OBJECT.

MR. WEINGARTEN: I AM STOPPING WELL SHORT.

MR. WEINGARTEN: I JUST WANT TO BE SURE.

THE COURT: CLEARLY, THERE IS NOTHING FOR YOU TO SAY BECAUSE THERE IS NOTHING ON THE RECORD. THERE IS NO OBJECTION. BECAUSE THERE'S NOTHING TO OBJECT TO IF HE STOPS SHORT AS HE SAYS HE IS GOING TO.

IN OPEN COURT:

BY MR. WEINGARTEN:?

Q LET'S JUST SAY THIS, MR. HUNT: CONSIDERING YOUR BUSINESS INTERESTS, IT IS NOT A BAD IDEA TO HAVE A FRIEND ON CAPITOL HILL, IS THAT NOT A FAIR STATEMENT?

A. WELL, I HOPE I HAVE GOT A LOT OF THEM. AT LEAST 30 OR 40.

Q. LET'S GO BACK TO 26-A AND 26-B, THE NOTES. IS IT A FACT THAT THOSE NOTES WERE SIGNED THE DAY CONGRESSMAN HANSEN AND YOUR LAWYER VISITED THE DEPARTMENT OF JUSTICE?

A. THAT COULD BE, YES.

Q. NOW, YOU TESTIFIED ON CROSS, WITH MR. LEWIN THAT YOU FELT BAD ABOUT CONNIE HANSEN'S LOSS, IS THAT CORRECT, THE LOSS IN THE SOYBEAN MARKET?

A. YES, I DID.

Q. BUT, WHO PAID FOR THAT LOSS, MR. HUNT?

A. SHE PAID FOR IT.

Q. IN FACT, YOU PAID FOR IT, DID YOU NOT?

A. WELL, I ENDORSED HER NOTE, BUT SHE LOST SOME MONEY AND

SHE PAID FOR IT.

Q. MR. HUNT, IS IT NOT TRUE THAT THE LOSS WAS 33 THOUSAND DOLLARS. YOU COSIGNED A 50 THOUSAND DOLLARS NOTE; YOU HAD TO PAY FOR IT, 61 THOUSAND DOLLARS; AND NOT A PENNY HAS BEEN PAID TO YOU SINCE THE LOSS, 7 YEARS AGO?

A. THAT IS CORRECT.

Q. AND YOU TESTIFIED --

A. AND I'D LIKE TO COLLECT IT VERY MUCH AND I AM HOPEFUL THAT I WILL COLLECT IT.

Q. O K.

YOU TESTIFIED ABOUT CONGRESSMAN HANSEN'S REPUTATION, AND IT IS YOUR OPINION, TOO, THAT HE HAS A GOOD REPUTATION FOR TRUTH AND HONESTY?

A. AS FAR AS I KNOW, YES, SIR.

Q. MR. HUNT, IF MR. HANSEN IN FACT HAD NOT SEPARATED HIS ACCOUNTS, AND IN FACT DID NOT PAY HIS TAXES SEPARATELY, WOULD YOUR OPINION CHANGE?

A. WELL, YES, SOMEWHAT, YES.

MR. WEINGARTEN: THANK YOU.

RECROSS-EXAMINATION

BY MR. LEWIN:

Q. WITH REGARD TO THAT LAST QUESTION, MR. HUNT, MR. WEINGARTEN SAID IF HE HAD NOT SEPARATED HIS ACCOUNTS OR HAD NOT PAID TAXES SEPARATELY. IS IT NOT A FACT THAT WHAT YOU RECALL IS THAT CONGRESSMAN HANSEN TOLD YOU THERE WAS A SEPARATE

PROPERTY ARRANGEMENT OF SOME KIND, NOT THAT WHETHER YOU RECALL THAT THERE WAS SEPARATE ACCOUNTS OR SEPARATE TAXES OR ANYTHING LIKE THAT?

A. I REALLY JUST DON'T -- I ANSWERED IN THE AFFIRMATIVE, BECAUSE I WANT TO BE, I DIDN'T WANT TO BE ARGUMENTATIVE WITH THE PROSECUTOR, BUT IN MY OWN MIND I AM NOT SURE WHAT OCCURRED OR WHAT I WAS TOLD ABOUT IT, AND I WISH I COULD BE SPECIFIC ABOUT IT, BUT I JUST DON'T KNOW EXACTLY.

Q. IF CONGRESSMAN HANSEN SAID TO YOU AT SOME POINT IN ALL OF THESE DISCUSSIONS WE HAVE ENTERED INTO A SEPARATE PROPERTY ARRANGEMENT AND THERE WAS IN FACT A DOCUMENT DRAFTED BY AN ATTORNEY WHICH SEPARATED THEIR PROPERTY, THEIR ASSETS, AND THEIR LIABILITIES, EVEN THOUGH IT DID NOT SEPARATE BANK ACCOUNTS OR SEPARATE TAX RETURNS, WOULD THAT BE CONSISTENT WITH YOUR UNDERSTANDING OF WHAT HE TOLD YOU? MAYBE THAT IS TOO DIFFICULT.

THE COURT: JUST GIVE HIM A CHANCE TO ANSWER. YOU HAVE ASKED THE QUESTIONS.

THE WITNESS: I WISH YOU COULD REPHRASE THAT BECAUSE I DON'T QUITE FOLLOW IT.

BY MR. LEWIN:

Q. WHEN MR. WEINGARTEN ASKED YOU HIS LAST QUESTION, HE ASKED YOU WHETHER YOUR OPINION AS TO CONGRESSMAN HANSEN'S TRUTH AND VERACITY WOULD CHANGE IF IN FACT CONGRESSMAN HANSEN HAD NOT SEPARATED, THAT HE AND HIS WIFE HAD NOT SEPARATED THEIR

PROPERTY, AND YOU SAID YES, YOU GUESS THAT WOULD CHANGE.

I AM ASKING YOU NOW, WHETHER IF IN FACT WHAT HAPPENED WAS CONGRESSMAN HANSEN DID SIGN AND HIS WIFE DID SIGN A SEPARATE PROPERTY AGREEMENT, WHICH HAD BEEN DRAFTED BY AN ATTORNEY, AND WHICH LISTED SEPARATE ASSETS AND LIABILITIES, AND MADE STATEMENTS ABOUT WHAT THEY INTENDED TO DO IN THE FUTURE, WOULD THAT AGREEMENT OF BEEN CONSISTENT WITH WHAT YOU RECALL CONGRESSMAN HANSEN REPRESENTED TO YOU?

A. I WOULD SAY IT WOULD BE. I NEVER TRIED TO, YOU KNOW, GET THE LETTER, CHAPTER AND VERSE ON JUST WHAT HE HAD DONE, WHAT MRS. HANSEN, CONGRESSMAN HANSEN HAD DONE, IN THE WAY OF SEPARATION. I JUST ASSUMED THERE WAS A SEPARATION. MAYBE I ASSUMED THAT THERE WERE BANK ACCOUNTS INVOLVED OR TAX RETURNS OR PROPERTY OR SOMETHING.

I REALLY DIDN'T HAVE ANY SPECIFIC KNOWLEDGE, AND MAYBE I STATED THINGS THAT I SHOULDN'T HAVE STATED AND DIDN'T KNOW FOR A FACT, AND AS I SIT HERE, I REALLY DON'T HAVE ANY KNOWLEDGE AS TO WHAT THEY HAVE DONE.

Q. AND AS YOU SIT HERE, IT IS A FACT, IS IT NOT, THAT CONGRESSMAN HANSEN HAS NEVER LIED TO YOU?

A. I THINK THAT IS A HONEST STATEMENT, YES, SIR, AS FAR AS I KNOW.

Q. NOW, MR. WEINGARTEN ASKED YOU ABOUT THE DELAY BETWEEN MARCH 31 AND APRIL 6 WITH REGARD TO THAT BLACKMAIL LETTER. LET ME JUST MARK AS A DEFENDANTS EXHIBIT 3 FOR IDENTIFICATION --

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 3 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO
ABOVE WAS MARKED DEFENDANT'S EXHIBIT
NO. 3 FOR IDENTIFICATION.)

MR. LEWIN: -- A CALENDAR FOR THE YEAR 1981.

THE COURT: DO YOU WANT TO SHOW IT TO OTHER COUNSEL?

MR. LEWIN: YES.

THE COURT: THANK YOU.

BY MR. LEWIN:

Q. MARCH 31 WAS A TUESDAY, WAS IT NOT?

A. YES, SIR, IT SEEMS TO BE.

Q. AND APRIL 6, UP AT THE TOP OF THE SECOND COLUMN WAS A MONDAY?

A. YES, SIR.

Q. SO, THE MEETING AT THE DEPARTMENT OF JUSTICE WAS IMMEDIATELY FOLLOWING A WEEKEND, IS THAT CORRECT, ON A MONDAY, APRIL 6. IT WAS HELD ON APRIL 6?

A. YES, THAT WOULD BE CORRECT.

Q. AND IS IT NOT A FACT THAT MR. IRWIN AFTER THE INITIAL CONVERSATION WITH CONGRESSMAN HANSEN WENT IMMEDIATELY TO WASHINGTON BUT DID NOT BRING THE BLACKMAIL LETTER WITH HIM AT THAT FIRST MEETING?

A. NO, I DIDN'T KNOW THAT. BUT IT COULD BE.

Q. BUT YOU SAY HE MADE TWO TRIPS?

A. THAT IS WHAT MR. WEINGARTEN SAID. I THINK HE DID. MAYBE I SAID IT ALSO. I THINK HE DID MAKE ANOTHER TRIP TO CALL ON THE JUSTICE DEPARTMENT.

Q. DO YOU KNOW WHEN CONGRESSMAN HANSEN CALLED THE JUSTICE DEPARTMENT TO ARRANGE THE MEETING?

A. NO, SIR, I DON'T.

Q. BUT, TO YOUR KNOWLEDGE WAS THERE ANY POINT IN THAT PERIOD BETWEEN MARCH 31 AND APRIL 6TH WHEN THERE WAS A DELIBERATE DELAY IN ORDER TO DELAY A MEETING AT THE DEPARTMENT OF JUSTICE, WAS THERE EVER A DISCUSSION THAT WE OUGHT TO DELAY A MEETING AT THE DEPARTMENT OF JUSTICE?

A. NO, SIR, I DON'T KNOW OF ANY.

Q. NOW, MR. WEINGARTEN HAS ASKED YOU ABOUT THESE TWO NOTES, 26-A AND 26-B AND HE SAYS THOSE NOTES WERE BACKDATED TO OCTOBER 26, 1978, AND TO JUNE 3, 1980.

AREN'T THOSE REALLY THE DATES AS OF WHICH THOSE OBLIGATIONS BECAME CONNIE HANSEN'S OBLIGATIONS, JUNE 3, 1980, BEING THE OBLIGATION TO YOU BECAUSE THAT WAS THE DATE THAT YOU PURCHASED THAT NOTE FROM THE DALLAS NATIONAL BANK?

A. I BELIEVE SO. YOU KNOW, SOMETIMES THAT HAPPENS THAT SOMEONE MAY OWE YOU MONEY, AND YOU MIGHT NOT HAVE A NOTE FOR WHATEVER REASON, AND THEN YOU PREPARE THE NOTE DATING BACK TO THE TIME OF THE LOAN OR THE TIME OF THE OBLIGATION.

Q. AND ISN'T THE REASON THAT YOU GOT TO DATE IT BACK TO THAT DATE IS BECAUSE IT CARRIES INTEREST FROM THE DATE OF

OBLIGATION, ITSELF, FROM THE DATE OF THE NOTE?

A. YES, SIR.

Q. SO, IT HAS GOT TO BE DATED THE DATE THAT THE INTEREST BEGINS RUNNING?

A. YES, SIR.

Q. SO, YOU ARE NOT BACKDATING IT IN ORDER TO MISLEAD SOMEBODY BUT YOU ARE BACKDATING BECAUSE THAT IS WHEN THE OBLIGATION BEGINS BEARING INTEREST SHOWN ON THE NOTE?

A. YES, IT IS BACKDATED REALLY TO REFLECT THE OBLIGATION AS IT IS.

Q. AND IN FACT, THAT OBLIGATION WAS AN OBLIGATION THAT GREW OUT OF THE SOYBEAN TRANSACTION, NOT OUT OF THE SILVER TRANSACTION, ISN'T THAT TRUE?

A. I BELIEVE IT IS, YES, SIR.

Q. SO IT REALLY DID NOT HAVE ANYTHING TO DO WITH THE BLACKMAIL LETTER WHICH DEALT WITH THE SILVER TRANSACTION?

A. THAT IS CORRECT. YES. I HADN'T THOUGHT ABOUT THAT, BUT THAT WOULD BE CORRECT.

Q. AND IT IS JUST THAT IT WAS A CONVENIENT TIME WHEN YOUR ATTORNEY WAS COMING FROM DALLAS TO SEE CONGRESSMAN HANSEN ON ANOTHER MATTER -- ON THE BLACKMAIL LETTER -- THAT HE BROUGHT ALONG THOSE NOTES?

A. YES, SIR.

MR. LEWIN: THANK YOU.

THE COURT: ANYTHING FURTHER?

MR. WEINGARTEN: NO, WE ASK THAT MR. HUNT BE EXCUSED.

THE COURT: MR. HUNT, YOU ARE EXCUSED, I ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED.

MR. HUNT: YES. THANK YOU, YOUR HONOR.

(WITNESS EXCUSED.)

THE COURT: THE GOVERNMENT'S NEXT WITNESS.

MR. COLE: YOUR HONOR, CALL MR. NICHOLS.

THE COURT: WE WILL NOT SIT BEYOND FIVE-THIRTY. HOPEFULLY, WE WILL GET THIS TESTIMONY COMPLETED. OTHERWISE, THE WITNESS WILL HAVE TO RETURN TOMORROW, IN FAIRNESS TO THE JURY AND THE REST OF US WHO HAD A RELATIVELY SHORT NIGHT.

WHEREUPON,

OWEN H. NICHOLS

WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN ACCORDING TO LAW, WAS EXAMINED AND TESTIFIED AS FOLLOWS.

THE COURT: GOOD AFTERNOON, MR. NICHOLS.

MR. NICHOLS: GOOD AFTERNOON, YOUR HONOR.

DIRECT EXAMINATION

BY MR. COLE:

Q. MR. NICHOLS, STATE YOUR FULL NAME AND SPELL YOUR LAST NAME.

A. MY NAME IS OWEN H. NICHOLS. NICHOLS.

Q. MR. NICHOLS, WHAT CITY DO YOU LIVE IN?

A. I LIVE IN SKOKIE, ILLINOIS.

Q. MR. NICHOLS, WHAT OCCUPATION ARE YOU ENGAGED IN?

A. I AM A COMMODITY AND SECURITY BROKER.

Q. HOW LONG HAVE YOU BEEN IN THE COMMODITIES MARKET?

A. I HAVE BEEN A LICENSED COMMODITY BROKER SINCE 1961, OR 23 YEARS.

Q. AND HAVE YOU BEEN TRADING IN COMMODITIES PRIOR TO BEING A LICENSED BROKER?

A. YES, I TRADED COMMODITIES IN THE CASH PHYSICAL BUSINESS.

Q. NOW, " CASH PHYSICAL BUSINESS, " IF YOU COULD JUST VERY BRIEFLY EXPLAIN TO US WHAT THAT IS?

A. I WORKED FOR THE PILLSBURY COMPANY, AND TRADED IN THE PRODUCT ITSELF, I. E., A BUSHEL OF SOYBEANS OR A TON OF SOYBEAN MEAL, OR A BUSHEL OF WHEAT, BUT THE PHYSICAL ITEM GROWN ON THE FARM, MANUFACTURED, SAY IN THE CASE OF WHEAT INTO FLOUR, OR IN THE CASE OF CORN FED TO LIVESTOCK OR SOYBEANS THAT ARE PROCESSED INTO SOYBEAN OIL AND SOLD TO THE REFINERS, TO MAKE MARGARINE, SALAD OIL, AND SOYBEAN MEAL, WHICH IS BASICALLY A PROTEIN SUPPLEMENT FOR ANIMAL FEED.

Q. IN OTHER WORDS, WOULD IT BE FAIR TO SAY THEN THAT INSTEAD OF DEALING WITH COMMODITY FUTURES AS THEY ARE CALLED, -- AND WE WILL GET INTO THAT IN A MINUTE -- YOU WERE DEALING WITH ACTUAL PRODUCTS THEMSELVES?

A. YES, PRIOR TO 1961.

Q. AND WHEN DID YOU START DOING THAT, IF I COULD ASK?

A. IN 1949.

Q. DID THERE COME A TIME WHERE YOU BECAME EMPLOYED AND INVOLVED WITH THE CHICAGO BOARD OF EXCHANGE, OR BOARD OF TRADE?

A. I WAS NOT EMPLOYED BY THE CHICAGO BOARD OF TRADE. I WAS AN ELECTED DIRECTOR OF THE BOARD OF DIRECTORS OF THE CHICAGO BOARD OF TRADE IN 1969 AND 1970. I WAS CHAIRMAN, THE ELECTED CHAIRMAN OF THE CHICAGO BOARD OF TRADE BOARD OF DIRECTORS FOR TWO TERMS IN 1971 AND 1972. BUT EMPLOYED IS NOT THE CORRECT EXPRESSION. UNPAID ELECTED JOB.

Q. ASSOCIATED .. WOULD BE A BETTER EXPRESSION?

A. YES.

Q. FOLLOWING YOUR TERM, I BELIEVE YOU SAID YOU WERE CHAIRMAN OF THE BOARD OF THE CHICAGO BOARD OF TRADE, IS THAT CORRECT?

A. I WAS CHAIRMAN OF THE BOARD OF DIRECTORS.

Q AND BRIEFLY COULD YOU TELL US WHAT THE CHICAGO BOARD OF TRADE IS?

A. IT WAS THEN AND STILL IS TODAY THE WORLD'S LARGEST COMMODITY FUTURES EXCHANGE.

Q. FOLLOWING BEING CHAIRMAN OF THE BOARD OF DIRECTORS OF THE CHICAGO BOARD OF TRADE, DID YOU THEN HAVE FURTHER POSITIONS ON THE BOARD?

A. YES, I THEN SPENT FOUR MORE CONSECUTIVE ONE YEAR TERMS OF CHAIRMAN OF THE BUSINESS CONDUCT COMMITTEE OF THE CHICAGO BOARD OF TRADE.

Q. ARE YOU NOW ASSOCIATED WITH A BROKERAGE HOUSE, MR. NICHOLS,?

A. YES, I AM.

Q. WHAT BROKERAGE HOUSE IS THAT?

A. PAYNE, WEBBER, JACKSON, AND CURTIS.

Q. NOW, DID THAT USED TO BE KNOWN BY ANOTHER NAME?

A. IT WAS KNOWN AS MITCHELL, HUTCHINS AND COMPANY-- (SPELLING) M I T C H E L L H U T C H I N S-- WHICH WAS ACQUIRED BY PAYNE, WEBBER, I BELIEVE THE YEAR WAS 1977. LATE IN 1977 I THINK.

Q. WERE YOU STILL WORKING WITH MITCHELL HUTCHINS WHEN IT WAS KNOWN AS MITCHELL HUTCHINS?

A. YES, I WAS.

Q. YOU CONTINUE TO BE A COMMODITY BROKER TO THIS DAY, MR. NICHOLS?

A. YES, I DO.

MR. COLE: YOUR HONOR, I WOULD OFFER MR. NICHOLS AS AN EXPERT ON THE COMMODITY MARKETS FOR THE PURPOSE OF EXPLAINING THE COMMODITY MARKET TO THE JURY.

THE COURT: WITHOUT OBJECTION?

YOU WISH SOME VOIR DIRE AS TO HIS EXPERTISE?

MR. LEWIN: JUST A MINUTE OR TWO, YOUR HONOR.

THE COURT: SURE.

VOIR DIRE EXAMINATION

BY MR. LEWIN:

Q. MR. NICHOLS, THE EXPERIENCE THAT YOU HAD IN COMMODITIES FUTURES GOES BEYOND THINGS SUCH AS AGRICULTURAL PRODUCTS?

A. YES, SIR, IT DOES.

Q. IN OTHER WORDS, YOU HAVE HAD EXPERIENCE IN THINGS SUCH AS SILVER FUTURES?

A. VERY LIMITED THOUGH.

Q. COULD YOU DESCRIBE FOR US WHAT YOU MEAN BY VERY LIMITED?

A. I WOULD SAY THAT 90 PLUS PER CENT OF MY BUSINESS IN THE COMMODITY FUTURES IS TRANSACTED EITHER ON THE CHICAGO BOARD OF TRADE IN EITHER THE GRAIN AND/OR AN OIL SEED, WHICH WOULD BE A SOYBEAN AND ON THE CHICAGO MERCANTILE EXCHANGE, WHICH WOULD INCLUDE PRIMARILY CATTLE, HOGS, AND PORK BELLIES. MY VOLUME OF BUSINESS NOW AND/OR IN THE PAST IN SAY SILVER, YOU MENTIONED, IS QUITE QUITE MINIMAL.

Q. AND THAT MEANS THE NEW YORK COMEX IS SOMETHING WHICH YOU HAVE NOT HAD EXPERIENCE IN?

A. AGAIN ABSOLUTELY ROCK BOTTOM MINIMAL.

Q. ROCK BOTTOM?

A. I HAVE BEEN A MEMBER OF COMEX IN NEW YORK, I AM NOT PRESENTLY SO.

Q. AND IS IT FAIR TO SAY THAT THERE ARE DIFFERENCES IN PRACTICE BETWEEN THE TRADING IN COMMODITIES FUTURES IN THE KINDS OF THINGS THAT YOU HAVE HAD EXPERIENCE IN FROM THE KIND

OF COMMODITIES SUCH AS SILVER AND THOSE OF THE NEW YORK COMEX, THAT YOU HAVE NOT HAD EXPERIENCE?

A. YES.

MR. LEWIN: YOUR HONOR, WE ACCEPT THE WITNESS AS EXPERT IN THE LIMITED FIELD, I THINK, FOR THE PURPOSE OF THIS CASE, OF SOYBEANS BUT NOT FOR SILVER.

THE COURT: MR. COLE?

MR. COLE: YOUR HONOR, MR. NICHOLS WAS NOT INTENDING ON GETTING INTO AN EXPLANATION OF SPECIFIC COMMODITIES OTHER THAN SOYBEANS, OTHER THAN GENERAL REQUIREMENTS OF THE COMMODITIES MARKET WHICH APPLIES TO ALL KINDS OF COMMODITIES SUCH AS MARGIN RULES AND THINGS OF THAT NATURE.

THE COURT: ALL RIGHT. YOU ARE QUALIFIED AS AN EXPERT IN THE COMMODITIES MARKET FOR THE PURPOSE OF EXPLAINING THE COMMODITIES MARKET.

DIRECT EXAMINATION (CONTINUED)

BY MR. COLE:

Q. MR. NICHOLS, THERE HAS BEEN A LOT OF TALK ABOUT COMMODITIES AND I WONDER IF YOU WOULD FIRST START OUT BY TELLING THE JURY WHAT IS A COMMODITY?

A. I WOULD SAY A COMMODITY IS VIRTUALLY ANY PRODUCT THAT IS BOUGHT AND SOLD OPENLY AND FREELY.

Q. WOULD THAT INCLUDE SOYBEANS?

A. YES.

Q. WOULD IT INCLUDE SILVER SINCE THE SUBJECT HAS BEEN

BROUGHT UP?

A. YES.

Q. CAN YOU TELL THE JURY WHAT A COMMODITIES FUTURES CONTRACT IS?

A. A COMMODITY FUTURES CONTRACT IS A CONTRACT OR AN OBLIGATION IN CASE OF A PURCHASE TO PURCHASE A STATED COMMODITY, A STATED SIZE OF COMMODITY, A STATED PRICE FOR THE COMMODITY, AND A STATED TIME OF DELIVERY FOR THAT COMMODITY IN THE FUTURE.

Q. WOULD IT BE FAIR TO SAY YOU ARE AGREEING TO BUY THIS AT A LATER DATE, AND AT A SPECIFIC PRICE?

A. CORRECT.

Q. IN THE CASE OF SOYBEANS, THERE'S BEEN A LOT OF TALK OF COMMODITIES FUTURES CONTRACTS. HOW BIG IS A SINGLE CONTRACT OF COMMODITIES FUTURES IN SOYBEANS?

A. A SINGLE CONTRACT OF SOYBEANS ON THE CHICAGO BOARD OF TRADE IS FIVE THOUSAND BUSHELS PER CONTRACT.

Q. HOW BIG IS A BUSHEL?

A. OH, I GUESS THE WAY I WOULD LIKE TO SAY IT, THAT YOU GO INTO A DEPARTMENT STORE AND COME OUT WITH ONE OF THOSE SHOPPING BAGS WITH TWO HANDLES ON THEM, ONE BUSHEL OF SOYBEANS WOULD ABOUT FILL THAT BAG.

Q. IS THERE A SPECIFIC WEIGHT TO A BUSHEL?

A. YES, A BUSHEL IS A TERM OF WEIGHT, AND THERE ARE 60 POUNDS OF WEIGHT IN A BUSHEL OF SOYBEANS.

Q AND THERE ARE FIVE THOUSAND BUSHELS TO ONE SINGLE

CONTRACT?

A. YES.

Q. MR. NICHOLS, DO YOU KNOW HOW MANY OUNCES OF SILVER ARE IN ONE SINGLE SILVER CONTRACT?

A. IN THE STANDARD FULL-SIZED SILVER CONTRACT, THERE ARE FIVE THOUSAND OUNCES.

Q. FIVE THOUSAND OUNCES OF SILVER?

A. YES.

Q. MR. NICHOLS, AS AN EXAMPLE, IF A PERSON WERE TO BUY A CONTRACT OF JULY SOYBEANS AT NINE DOLLARS AND 95 CENTS, WHAT HAVE THEY HAVE DONE THERE?

A. THEY HAVE TAKEN ON A CONTRACTUAL AND LEGAL OBLIGATION TO, IF THEY DO NOTHING MORE THAN TO RECEIVE DELIVERY ON FIVE THOUSAND BUSHELS OF SOYBEANS, DURING THAT DELIVERY MONTH OF JULY. -- FOR A CLARIFICATION, LET'S SAY JULY OF 1984. WE DIDN'T PUT A YEAR IN THERE.

THE COURT: EXCUSE ME. DO YOU HAVE TO PUT A SPECIFIC DATE IN THERE OR JUST A MONTH OF JULY?

THE WITNESS: YOUR HONOR, LET'S TAKE OUR JULY OF 1984. DELIVERY CAN TAKE PLACE NO SOONER THAN THE FIRST DAY OF THAT CURRENT MONTH, OR JULY, BUT IS DELIVERABLE DURING THAT PERIOD OF THAT MONTH THOUGH TRADING IN THAT JULY CONTRACT WILL EXPIRE DURING THE MONTH OF JULY, 7 BUSINESS DAYS PRIOR TO THE END OF THE MONTH. SO, IT IS JULY 31ST. I AM JUST GUESSING WHERE THE WEEKENDS WOULD FALL, SOMEWHERE AROUND JULY 20, TRADING WOULD NO

LONGER TAKE PLACE, BUT DELIVERY COULD.

BY MR. COLE:

Q. IN OUR EXAMPLE HERE, WE HAVE THEM BUYING THIS FIVE THOUSAND BUSHELS OF SOYBEANS FOR DELIVERY SOMETIME IN JULY AND AT A PRICE OF NINE DOLLARS AND 95 CENTS. IS THAT NINE DOLLARS AND 95 CENTS PER BUSHEL?

A. THAT IS NINE DOLLARS AND 95 CENTS PER ONE BUSHEL.

Q. SO, IT WOULD BE FIVE THOUSAND TIMES NINE DOLLARS AND 95 CENTS FOR THIS ONE CONTRACT?

A. YES.

Q. MR. NICHOLS, IN YOUR EXPERIENCE IN THE COMMODITY MARKET DEALING WITH SOYBEANS, DOES THE PRICE GO UP AND DOWN QUITE A BIT?

A. IT GOES UP AND DOWN A TREMENDOUS AMOUNT, MANY MANY TIMES IN A NORMAL SESSION.

Q. AND WHEN THIS PRICE GOES UP AND DOWN, IT'S THE SINGLE BUSHEL PRICE?

A. IT IS THE SINGLE DOLLARS AND CENTS PER BUSHEL PRICE.

Q. IS THERE ANY RISK IN THE COMMODITIES MARKET?

A. THERE IS A TREMENDOUS RISK.

Q. WOULD IT BE FAIR TO SAY THAT THERE IS RISK TO THE EXTENT OF HOW MUCH MONEY CAN BE GAINED AND LOST IN THE MARKET?

A. WOULD YOU PLEASE REPEAT THAT QUESTION?

Q. IS THIS RISK AS TO HOW MUCH MONEY CAN BE GAINED OR LOST IF YOU HAPPEN TO INVEST IN THE COMMODITIES MARKET, IS THAT

WHAT THE RISK IS?

A. THE RISK REALLY COMES IN YOUR POTENTIAL LOSS.

Q. IT WOULDN'T HAVE TO DO WITH THE GAIN? THAT IS NOT A RISK?

A. THE RISK IS YOU MAY NOT MAKE A GAIN.

Q. IS THERE A RISK THAT YOU MIGHT LOSE A LOT OF MONEY?

A. YES.

Q. AND IS THAT DUE TO THE FLUCTUATION OF THE MARKET?

A. IT IS DUE TO FLUCTUATION OF THE MARKET, BUT IT IS ALSO PERHAPS FURTHER INTENSIFIED BY THERE IS NO LEVEL AFTER YOU TAKE YOUR EXAMPLE OF BUYING FIVE THOUSAND BUSHELS OF JULY SOYBEANS AT $9.95.

IF YOU DID THAT -- WELL, I DON'T MIND -- WHILE I DON'T MIND RISKING 20 CENTS. BUT THERE IS NO GUARANTEE IN THE WORLD THAT YOU CAN LIMIT YOUR LOSS TO THAT INITIAL 20 CENTS, WITH WHICH YOU SAID THAT IS ALL I WOULD LIKE TO LOSE. SO THAT'S THE GREATEST ELEMENT OF RISK. THE RISK OF LOSING IS, AS I USE THE WORD, MUCH GREATER, INTENSIFIED. IT IS A HUGE RISK.

Q. IS IT POSSIBLE THAT THERE MAY COME A TIME WHEN AS YOU SAY, YOU DON'T MIND LOSING 20 CENTS BUT YOU DON'T WANT TO LOSE 30, THAT YOU CAN'T HELP BUT LOSE MORE?

A. THAT IS CORRECT. I WOULD TAKE YOUR EXAMPLE EVEN FURTHER IF YOU WANTED TO LIMIT YOUR LOSS AT 20 CENTS. THERE IS NO GUARANTEE THAT YOU COULD LIMIT IT TO A DOLLAR.

Q. THAT WOULD BE A DOLLAR PER BUSHEL?

A. THAT IS POTENTIALLY POSSIBLE. IT IS QUITE POSSIBLE. IT DOESN'T HAPPEN CONSTANTLY, BUT IT IS POSSIBLE.

Q. IS IT EVER POSSIBLE THAT A PERSON CAN'T SELL THEIR CONTRACTS AND HAS TO TAKE DELIVERY, IS THAT A POSSIBILITY.

A. IT IS A POSSIBILITY.

Q. DOES IT HAPPEN VERY OFTEN?

A. NO.

Q. TO YOUR KNOWLEDGE HAS IT HAPPENED?

A. NOT TO ONE OF MY CLIENTS. THEY HAVE NEVER TAKEN DELIVERY THAT THEY DIDN'T INTEND TO TAKE IN THE FIRST PLACE, BUT I AM SURE IT HAS HAPPENED, BUT IT HAS NOT HAPPENED IN MY DIRECT KNOWLEDGE OF, TO ONE OF MY CLIENT.

Q. AND SOME PEOPLE DO TAKE DELIVERY, IS THAT RIGHT?

A. OH, YES.

Q. NOW BECAUSE THERE IS RISK, IS THERE ANY RULES THAT THE GOVERNMENT OR THE AGENCY THAT CONTROLS COMMODITIES IN THIS COUNTRY HAS IMPOSED BECAUSE OF THIS RISK?

A. YES, THERE IS. A COMMODITY FUTURES TRADING COMMISSION REGULATION. I CANNOT REMEMBER THE EXACT NUMBER OF IT, BUT IT IS CALLED A COMMODITY RISK STATEMENT.

Q. WHAT DOES THE REGULATION SAY SO FAR AS WHO THIS RISK STATEMENT IS GIVEN TO, FIRST OF ALL?

A. THE RISK STATEMENT MUST BE SENT TO, SIGNED FOR, AND RECEIVED BACK, ACKNOWLEDGING THAT THEY HAVE BEEN ADVISED OF THE RISK INVOLVED PRIOR TO MAKING A COMMODITY TRANSACTION.

Q NOW, THE "THEY" YOU REFER TO WOULD BE A CUSTOMER OF YOURS OR A CLIENT?

A. THE CLIENT OR A CUSTOMER.

Q. UNDER THIS RULE, ARE YOU ALLOWED TO TRADE FOR YOUR CLIENT IF YOU HAVE NOT RECEIVED BACK THEIR SIGNED RISK DISCLOSURE STATEMENT?

A. NO, YOU ARE NOT ALLOWED.

Q. AND CAN YOU RECEIVE SANCTIONS FROM THE COMMODITIES COMMISSION IF THAT HAPPENS AND THEY FIND OUT?

A. YES.

Q. LET'S TAKE A TYPICAL TRANSACTION: A CLIENT CALLS YOU UP AND SAYS MR. NICHOLS, I'D LIKE TO TRADE COMMODITIES. WHAT IS THE FIRST THING YOU ARE GOING TO DO WITH THAT CLIENT?

A. THE FIRST THING WE WOULD DO IS TO ASCERTAIN TO THE BEST OF OUR ABILITY, THE SUITABILITY OF THAT CLIENT TO EVEN PROPOSE TRADING IN COMMODITIES. SO, ALONG THOSE LINES, WE WOULD SEND WHAT ARE CALLED OUR ACCOUNT FORMS WHICH WOULD GIVE THE BASIC INFORMATION, NAME, ADDRESS, OCCUPATION, AGE, INCOME, AMOUNT OF MONEY THAT THEY EARN PER YEAR, AND A NET WORTH, PLUS, OF COURSE, AS I SAID THIS RISK DISCLOSURE STATEMENT WOULD BE PART OF THOSE ACCOUNT PAPERS.

Q. WHY DO YOU WANT TO KNOW A PERSON'S NET WORTH BEFORE YOU ALLOW THEM TO TRADE IN THE COMMODITIES MARKET?

A. BECAUSE NOT ONLY IS IT A RULE OF MY FIRM, BUT I BELIEVE IT WOULD COME UNDER A RULE OF AN EXCHANGE, PARTICULARLY

THE NEW YORK STOCK EXCHANGE, OF SUITABILITY RULE. YOU MUST DO YOUR BEST TO FIND OUT WHETHER THE CLIENT IS TOTALLY SUITABLE TO THE HORRIBLE UP AND DOWN WORLD OF THE COMMODITY BUSINESS.

Q. NOW, SAY THAT FOR EXAMPLE, THE CLIENT HAS NOW BEEN INFORMED OF THE RISK, HAS SIGNED THE STATEMENT, RETURNED IT, AND YOU HAVE DETERMINED THAT THE CLIENT DOES HAVE ENOUGH MONEY TO AFFORD TO GO INTO THE COMMODITIES MARKET. ARE YOU GOING TO GET SOME ORDERS FROM THIS CLIENT AT THIS POINT?

A. NO. WELL, PERHAPS WE WOULD GET AN ORDER BUT WE WOULD NOT THEN EXECUTE THE ORDER UNTIL WE HAD RECEIVED WHAT IS NOW CALLED A MARGIN DEPOSIT.

Q. AND WHAT IS A MARGIN DEPOSIT? THE TERM HAS COME UP. COULD YOU EXPLAIN TO THE JURY WHAT IT IS AND WHY IT IS REQUIRED?

A. IT IS AN AMOUNT OF MONEY, AND I CAN DO IT IN ROUND FIGURES. GENERALLY, IT IS AROUND ABOUT 12 PER CENT OF THE VALUE OF THE CONTRACT, SO LET'S DO IT IN 10 PER CENT, BECAUSE SOMETIMES IT IS 10. IF YOU WANT TO TRADE IN A CONTRACT, WITH A VALUE OF A THOUSAND DOLLARS, YOU WOULD HAVE TO PUT UP A HUNDRED.

IF YOU WANTED TO TRADE IN ONE FOR FIVE THOUSAND DOLLARS, YOU WOULD HAVE TO PUT UP FIVE HUNDRED. THAT MONEY IS CALLED A MARGIN, AND IT JUST LIKE AS I SAID, IT IS A MARGIN DEPOSIT.

IT IS REALLY AN AMOUNT OF MONEY PUT UP BY THE CLIENT TO GUARANTEE HIS PERFORMANCE IN THIS FUTURES CONTRACT THAT HE HAS BECOME ENGAGED. IF WHEN HE INITIALLY PUTS UP THAT MARGIN, THEN, AND IF THE MARKET GOES AGAINST HIM, THAT IS, IF HE IMMEDIATELY STARTS TO LOSE MONEY, HE WOULD HAVE PUT UP MORE MONEY AND WOULD ALWAYS HAVE TO KEEP THAT MINIMUM MARGIN INTACT AT ALL TIMES.

HE CANNOT SIMPLY SIT THERE AND WAIT UNTIL HIS MARGIN MONEY HAS RUN OUT, AND THEN SAY, I WANT OUT. HE HAS GOT TO CONSTANTLY REPLACE IT AT ALL TIMES IF THE MARKET IS GOING AGAINST HIM.

AND, OF COURSE, FIRSTLY, IF THE MARKET THEN STARTED BACK UP AGAIN, HE COULD WITHDRAW SOME OF THAT MONEY, BUT ONLY BACK DOWN TO THE ORIGINAL MARGIN AMOUNT.

Q. NOW, THE MARGIN, THAT IS NOT A GOVERNMENT AGENCY REQUIREMENT, IS IT?

A. NO.

Q. IS IT JUST A BROKERAGE HOUSE REQUIREMENT OR A COMMODITIES BOARD REQUIREMENT?

A. IT IS INITIALLY SET AS A MINIMUM, WHICH IS THE LOWEST MARGIN THAT YOU CAN CALL A CUSTOMER FOR, BUT IN MANY CASES, WHERE THIS MARKET IS EXTREMELY ACTIVE IN ITS DAILY UPS AND DOWNS, IT WOULD BE PERFECTLY NORMAL FOR THE BROKERAGE FIRM ITSELF TO CHARGE MORE THAN THAT MINIMUM MARGIN, BUT NEVER LESS.

Q. IT WOULD BE UP TO THE BROKERAGE HOUSE?

A. ABSOLUTELY, THEY CAN CALL FOR ANY AMOUNT THEY WANT UP TO THE FULL ONE HUNDRED PER CENT.

Q. MR. NICHOLS, VERY BRIEFLY, LET'S TAKE AN EXAMPLE.

OUR CLIENT IN THIS EXAMPLE HAS GIVEN US AN ORDER AND HE HAS SAID TO YOU THAT HE WANTS TO BUY 10 CONTRACTS OF JULY SOYBEANS AT 10 DOLLARS A BUSHEL. FIRST OF ALL, WHAT IS THE VALUE OF HIS PURCHASE AT THIS TIME?

A. WELL, HE HAS PURCHASED 10 CONTRACTS TIMES FIVE THOUSAND BUSHELS PER CONTRACT, FOR A TOTAL OF 50 THOUSAND BUSHELS AT A PRICE OF 10 DOLLARS A BUSHEL, FOR A TOTAL VALUE OF FIVE HUNDRED THOUSAND DOLLARS.

Q. ON 10 CONTRACTS?

A. ON 10 CONTRACTS.

Q. NOW, LET'S SAY THE MARKET GOES UP 10 CENTS. CAN THAT HAPPEN RATHER QUICKLY?

A. YES, VERY EASILY.

Q. WHAT HAS NOW HAPPENED TO THIS PERSON'S INVESTMENT?

A. WELL, 10 CENTS ON HIS 10 CONTRACTS, OR HIS 50 THOUSAND BUSHELS WOULD BE FIVE HUNDRED DOLLARS.

Q. FROM A 10 SENT HIKE?

A. YES.

Q. AND I ASSUME THEN IF THE MARKET HAD GONE DOWN 10 CENTS, HE WOULD LOSE FIVE HUNDRED DOLLARS?

A. HE WOULD LOSE FIVE HUNDRED DOLLARS.

Q. AND AGAIN, WHAT HAPPENS IF HE CAN'T SELL THE CONTRACTS OR HE TAKES DELIVERY?

A. FOR EVERY FURTHER 10 CENTS THAT HE GOES DOWN, HE WILL LOSE ANOTHER FIVE HUNDRED DOLLARS.

MR. COLE: YOUR HONOR, I WOULD SUGGEST THAT IF WE ARE GOING TO BREAK AT FIVE-THIRTY, THIS MIGHT BE A GOOD JUNCTURE TO BREAK.

THE COURT: YES, WE ARE GOING TO BREAK AT THAT TIME. SO OUR JURORS CAN GET MORE SLEEP TODAY THAN THEY WERE ABLE TO YESTERDAY, AND ENJOY PERHAPS THEIR MEAL IN A LITTLE MORE LEISURE TODAY THAN THEY DID YESTERDAY. DESPITE THE FACT, I UNDERSTAND, THE CHEF STAYED UNTIL ONE O'CLOCK IN THE MORNING TO ASSIST YOU IN THAT REGARD.

ALL RIGHT. LADIES AND GENTLEMEN OF THE JURY, AS I ADVISED YOU, WE ARE GOING TO START TOMORROW A LITTLE BIT LATER, AND I AM GOING TO SAY AT 10 O'CLOCK IN THE MORNING, AND I WILL, OF COURSE, HAVE THE MARSHALS TO HAVE YOU HERE AT THAT TIME.

IF I AM A LITTLE BIT BEYOND THAT TIME, I HOPE YOU WILL FORGIVE ME. I AM TRYING TO DO MY BEST ESTIMATE IN THAT REGARD AND AT THE SAME TIME COMMENCE THIS CASE AGAIN AS RAPIDLY AS I CAN.

SO, WE WILL SAY 10 O'CLOCK IN THE MORNING IS THE TIME WE WILL HAVE YOU HERE AND THE TIME I'LL ASK COUNSEL AND MR. HANSEN TO BE HERE ALSO AS WELL AS AND MR. NICHOLS.

WE APOLOGIZE TO YOU, MR. NICHOLS, ABOUT BEING IN THE MIDST OF YOUR TESTIMONY AND UNABLE TO COMPLETE IT TODAY AND ALLOW YOU TO GO ABOUT YOUR OWN PURSUIT, BUT WE WERE HERE UNTIL NINE O'CLOCK LAST NIGHT, AND I HAVE TO THINK OF MY JURY PARTICULARLY.

MR. NICHOLS: I UNDERSTAND COMPLETELY, YOUR HONOR.

(WITNESS EXCUSED TEMPORARILY.)

THE COURT: THANK YOU VERY MUCH.

WE WILL SEE YOU AT 10 O'CLOCK. HAVE A GOOD EVENING.

MR. COLE: THANK YOU, YOUR HONOR.

(WHEREUPON, AT 5:25 P.M., THE ABOVE-ENTITLED MATTER WAS RECESSED, TO RECONVENE THE NEXT DAY, THURSDAY, MARCH 22, 1984, AT APPROXIMATELY 10 O'CLOCK. A. M.)

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

Mindi Colchico
MINDI COLCHICO
OFFICIAL COURT REPORTER

Shirley Popejoy
SHIRLEY POPEJOY
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - - X

UNITED STATES OF AMERICA :

VS. : CRIMINAL ACTION NO. 83-75

GEORGE VERNON HANSEN, : VOLUME NO. 4

DEFENDANT :

- - - - - - - - - - - - - - - - - - - X

WASHINGTON, D. C.

THURSDAY, MARCH 22, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 10:00 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX

WITNESS	DIRECT	VOIR DIRE	CROSS	REDIRECT	RECROSS
OWEN H. NICHOLS	184	193			
(RESUMED)	194		211	251	253
SAMUEL PATRICK HENRY	255		276	287	
MICHAEL MARENICK	290		301		
LESLIE MING	309		375		
STUART PERRY GOLDBERG	393		400	404	

EXHIBIT	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
11-A		195
10		203
9-B		204
9-C		206
9-D		208
9-E		209
13		260
17		264
25		265
18 AND 19		270
27-A		292
27-B		293
27-C		294
27-E		297

EXHIBITS (CONTINUED)	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
27-D		300
32		317
31		319
30-A AND 30-B		325
49	333	
28		360
29		362
33 AND 34-A THROUGH E		398
35, 36 AND 37		400
DEFENDANT'S		
4-A, B AND C	225	229
5-A AND 5-B	225	229
6-A AND 6-B	227	229
7-A AND 7-B	228	229
8	234	
10	304	
11		387

PROCEEDINGS

(JURY NOT PRESENT)

THE COURT: CAN I SEE COUNSEL AT THE BENCH, PLEASE.

(AT THE BENCH)

THE COURT: WE HAVE A JUROR, JUROR NO. 5, MS. MILLS, I BELIEVE IS HER NAME, AND MS. MILLS APPARENTLY HAS HIGH BLOOD PRESSURE. WE HAVE HAD THE NURSE EXAMINE HER AT THE CONCLUSION OF YESTERDAY, AND IT TURNS OUT -- AND WE'VE BEEN TALKING THROUGH THE NURSE TO THE DOCTOR. IT TURNS OUT THAT MS. MILLS, ONE, HAS A HISTORY OF HIGH BLOOD PRESSURE. THIS IS NOTHING UNUSUAL. TWO, THE READING THAT THE NURSE HAS TAKEN IS A READING COMPATIBLE WITH READINGS THAT HAVE BEEN HAD BY HER BEFORE, BUT IT IS A HIGH BLOOD PRESSURE.

SHE HAS NOT BEEN TAKING HER BLOOD PRESSURE MEDICINE, EVEN BEFORE SHE CAME TO THE COURT SYSTEM, SO THE INTERVENTION OF THESE LAST DAY OR TWO HAVE NOT BEEN AN UNUSUAL SITUATION; THAT IS, CREATED THE HIGH BLOOD PRESSURE PROBLEM. NONETHELESS, HER DOCTOR ASKS THAT THE MARSHAL SECURE SOME BLOOD PRESSURE MEDICINE FOR HER, WHICH THEY ARE ABOUT TO GO OUT AND DO.

I HAVE JUST FINISHED TALKING TO THE NURSE, AND THE NURSE WILL CHECK HER PERIODICALLY DURING THE COURSE OF THE DAY. IF, INDEED, THE BLOOD PRESSURE CONTINUES TO STAY AT AN ELEVATED POSITION OR GOES HIGHER, THEN, OF COURSE, THEY WOULD WANT TO SEE HER IN THE EMERGENCY ROOM; THEN WE WOULD HAVE TO MAKE OUR ARRANGEMENTS IN THIS CASE. BUT I THOUGHT

THAT YOU SHOULD KNOW THAT WE ARE HAVING THE NURSE MONITOR HER.

MS. MILLS SEEMS VERY HAPPY. SHE IS VERY HAPPY. SHE HAS TALKED TO HER DOCTOR, AND SHE IS BEAMING ALL OVER, AND JUST KEEPS SMILING AS SHE PASSES BY ME. SO I JUST WANT YOU TO KNOW WHAT'S GOING ON. AND THAT SOMETIMES DELAYS ME A MINUTE OR TWO COMING IN, WHILE THE NURSE GRABS ME TO SAY WHAT IS THE READING AT THIS MOMENT.

ALL RIGHT.

MR. LEWIN: WE APPRECIATE THAT, YOUR HONOR. THANKS A LOT.

THE COURT: WE JUST WANT TO KEEP THEM AS HEALTHY AS WE CAN, BUT THAT IS WHY WE HAVE ALTERNATES, IF NEED BE. WE HOPE WE DON'T HAVE TO EXERCISE THEM THIS EARLY IN THE GAME.

MR. WEINGARTEN: I SEEM TO KEEP LOSING MY WITNESSES.

THE COURT: AND YOU KEEP GETTING A DIFFERENT NAME, ALSO, AND YOU KEEP HAVING RELATIVES OR PEOPLE BY SIMILAR NAMES MENTIONED IN VARIOUS MATTERS.

MR. WEINGARTEN: THAT'S RIGHT.

THE COURT: BUT THAT'S THE WAY IT IS. BUT TODAY IS THURSDAY, AND IT MAY BE A DIFFERENT DAY.

MR. WEINGARTEN: IF I COULD JUST HAVE TWO MINUTES.

MR. LEWIN: ONE MINUTE. THE ONE THING, SINCE YOUR HONOR HAS MENTIONED THE JURY, I DON'T KNOW WHETHER YOUR HONOR INQUIRED OF THE MARSHAL SPECIFICALLY, BUT I WOULD APPRECIATE

IT IF AN INQUIRY COULD BE MADE TO BE SURE THAT THE ARTICLE IN TODAY'S WASHINGTON POST WAS CUT OUT OF ANY NEWSPAPERS THAT WERE GIVEN TO THE JURY.

THE COURT: I HAVE INQUIRED ALREADY AS TO WHETHER THEY ARE CONTINUING TO DO IT. AND I WILL SAY OVER AND OVER AGAIN, MUCH AS I CONTINUE NOT TO BE ENTHUSIASTIC ABOUT SEQUESTERING ANY JURY, THAT I BELIEVE THAT IT WAS THE ONLY APPROPRIATE THING TO HAVE DONE IN THIS CASE. INDEED, AS THE ISSUE BECOMES MORE AGGRAVATED IN THE NEWSPAPER AND IN THE MEDIA CONCERNING MR. MEESE'S SITUATION AND CONSTANTLY A REPETITION OF THE FINANCIAL DISCLOSURE FORM, I THINK THAT WE SHOULD, ALL OF US, BE GRATEFUL THAT OUR JURORS ARE BEING SPARED THAT KIND OF READING OR VIEWING MATERIAL. AND ALL WE WANT IS THE SANCTITY OF THE TRIAL, IN FAIRNESS TO BOTH SIDES.

MR. LEWIN: RIGHT. I MAKE SPECIFIC MENTION OF THE ARTICLE TODAY BECAUSE, AS YOUR HONOR MAY HAVE NOTICED, IT HAS ONE SENTENCE THAT DOES REFER TO THE PRIOR CONVICTION. AND I JUST WANT TO BE SURE THAT THAT ARTICLE --

THE COURT: I NOTICED IT. AND THERE AGAIN, THINGS THAT ARE BEYOND OUR CONTROL AND WE TRY OUR BEST TO CONTROL IN A COURTROOM APPEAR IN NEWSPAPERS. AND THAT IS SOMETHING THAT WOULD HAVE BEEN, PRESUMABLY, DEVASTATING IF OUR JURORS HAD BEEN FREE TO READ IT. BUT I WILL DOUBLE-CHECK AT LUNCHTIME. BUT I HAD ALREADY SAID I WANT IT CONFIDENTIAL, TAKEN

CARE OF, CLIPPING ARTICLES AND GIVING THEM NEWSPAPERS WITH HOLES IN THEM, AND ALL THAT SORT OF THING.

THESE ARE VERY SOPHISTICATED MARSHALS, AS YOU KNOW, MR. LEWIN, WHO HAVE TRIED THE HINCKLEY CASE AND -- THEY HAVEN'T TRIED THE HINCKLEY CASE, BUT THEY HAVE BEEN IN THE HINCKLEY CASE AND OTHER CASES OF CELEBRATION, SOME GOING BACK TO THE DAYS OF THE WATERGATE, WHERE THEY ARE VERY KEEN ABOUT BEING ATTENTIVE TO THEIR DUTY.

THEY HAVE AN INCREDIBLE NUMBER OF MARSHALS THAT THEY HAVE IN THIS COURTROOM -- I RECOGNIZE THEM; I'M CONFIDENT NOT EVERYONE ELSE WOULD, BUT I KNOW THEM -- COMING IN AND OUT OF HERE; AND THEY ARE TRYING THEIR BEST TO KEEP THINGS MOVING IN A FAIR LOGISTIC FASHION, TO HAVE THE JURY HERE AND KEEP THAT JURY HAPPY, WHO HAVE DIFFERENT DIETARY MATTERS. WE HAVE COME TO THE CONCLUSION THAT WE CAN ONLY SATISFY THEM AT MORNING AND AT EVENING, WHERE THEY HAVE A GREATER VARIETY OF FOOD. AND IF ANY OF YOU HAVE EATEN HERE IN THE COURTHOUSE, AS ALL OF US DO -- AND ALL OF US SHARE THE SAME FOOD, I MIGHT SAY; DIFFERENT SERVICE, BUT SAME FOOD -- WE KNOW HOW EVERYONE SUFFERS.

MR. WEINGARTEN: I BRING YOGURT.

THE COURT: BUT ALL I CAN SAY TO MY JURORS IS: THAT WHICH YOU MUST HAVE, I MUST HAVE, TOO. ALL RIGHT? TASTELESS.

MR. LEWIN: BUT YOUR HONOR WILL MAKE SPECIFIC

INQUIRY ABOUT THE ARTICLE.

THE COURT: OH, YES, MR. LEWIN.

MR. WEINGARTEN: HOW LONG ARE WE GOING TO WORK TODAY?

THE COURT: 5:00 O'CLOCK.

MR. WEINGARTEN: I HAVE HALF OF IDAHO HERE.

THE COURT: YOUR JUDGE IS GOING TO HAVE TO KEEP FORTIFYING HERSELF WITH CUPS OF COFFEE IN BETWEEN, BUT 5:00 O'CLOCK IT WILL BE.

MR. WEINGARTEN: CAN I HAVE TWO MINUTES TO FIND --

THE COURT: TWO MINUTES.

AND I WILL ASK THE MARSHAL THE QUESTION YOU JUST ASKED.

(DISCUSSION OFF THE RECORD.)

(END OF BENCH CONFERENCE)

THE COURT: ARE WE READY?

MR. COLE: YES.

THE COURT: IS MR. NICHOLS AROUND IN THE IMMEDIATE ENVIRONS?

MR. COLE: HE'S RIGHT OUTSIDE.

THE COURT: SHALL WE BRING OUR JURY IN. GOOD.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: COUNSEL MAY BE SEATED.

SINCE WE ARE OFF TO A LITTLE LATER START THAN WE

USUALLY DO AT 9:30 IN THE MORNING OR THEREABOUTS, ARE THERE ANY OF YOU WHO WOULD FEEL A NEED TO HAVE A MIDMORNING RECESS TODAY? SINCE WE WILL BE SITTING TILL ABOUT 12:15, THAT GIVES US TWO HOURS. WOULD ALL OF YOU BE ABLE TO ACCOMMODATE TO YOUR PURPOSES THE NEXT TWO HOURS BY SITTING IN THAT JURY BOX?

THE JURY (EN MASSE); YES.

THE COURT: GOOD. IF ANY OF YOU DO BECOME UNCOMFORTABLE AND NEED TO STRETCH, JUST SIGNAL IT; MAYBE WE'LL JUST HAVE A ONE-MINUTE STRETCH IN BETWEEN, BUT I'M NOT PROMISING.

ARE YOU STILL COMFORTABLE, ALL OF YOU?

THE JURY (EN MASSE): YES.

THE COURT: RELATIVELY HAPPY?

THE JURY (EN MASSE): YES.

THE COURT: GOOD. WITH THAT PLEASANT MOOD UPON US, LET US CONTINUE WITH THE TESTIMONY OF MR. OWEN NICHOLS, WHO COMMENCED HIS DIRECT EXAMINATION YESTERDAY. AND MR. NICHOLS IS REENTERING THE COURTROOM.

OWEN H. NICHOLS

RESUMED THE STAND AS A WITNESS AND, HAVING BEEN PREVIOUSLY DULY SWORN, WAS EXAMINED AND TESTIFIED FURTHER AS FOLLOWS:

THE COURT: THANK YOU, MR. NICHOLS. AS YOU COME UP TO THE WITNESS STAND, I REMIND YOU, OF COURSE, THAT YOU REMAIN UNDER OATH. AND WE HOPE YOU HAVE A GOOD DAY TODAY.

THE WITNESS: THANK YOU, YOUR HONOR.

THE COURT: PLEASE JOIN US AGAIN.

MR. COLE: YOUR HONOR, WITH THE COURT'S PERMISSION, I'M GOING TO BRING THE CHART WHICH I AM PLANNING TO USE DURING MR. NICHOLS' TESTIMONY UP TOWARDS WHERE I WILL BE AND WILL BE ADDING THINGS, WITH THE COURT'S PERMISSION, AS THEY BECOME RELEVANT.

THE COURT: ALL RIGHT. FINE. AND COUNSEL WILL AGAIN POSITION THEMSELVES APPROPRIATELY.

DIRECT EXAMINATION (RESUMED)

BY MR. COLE:

Q MR. NICHOLS, WE HAD LEFT OFF YESTERDAY --

MR. LEWIN: YOUR HONOR, MIGHT IT BE POSSIBLE -- I AM GOING TO HAVE TO STAND DURING THIS ENTIRE TESTIMONY, UNLESS THAT IS MOVED BACK A LITTLE FURTHER. I DON'T KNOW WHETHER THE JURY --

THE COURT: WOULD THAT BE HELPFUL, AS IT IS NOW BEING POSITIONED?

MR. LEWIN: YES.

THE COURT: ALL RIGHT. VERY GOOD. OF COURSE.

BY MR. COLE:

Q MR. NICHOLS, WE ENDED OFF YESTERDAY TALKING ABOUT HYPOTHETICAL OR FICTITIOUS COMMODITY TRADINGS AND USING EXAMPLES AND LETTING THE JURY KNOW EXACTLY HOW THE COMMODITIES MARKET WORKS. I WOULD LIKE TO NOW ASK YOU SOME QUESTIONS CONCERNING A REAL COMMODITIES TRANSACTION.

INITIALLY, MR. NICHOLS, DO YOU KNOW A GENTLEMAN BY THE NAME OF NELSON BUNKER HUNT?

A YES, I -- NELSON BUNKER HUNT; YES, I DO.

Q ABOUT HOW LONG HAVE YOU KNOWN MR. HUNT?

A I WOULD THINK ABOUT TEN YEARS.

Q AND IN WHAT CAPACITY DO YOU KNOW MR. HUNT?

A PRIMARILY AS A BUSINESS CLIENT OF MINE AND, TO A LESSER DEGREE, SOCIALLY.

Q IS MR. HUNT STILL A BUSINESS CLIENT OF YOURS?

A I'M GOING TO ANSWER YES, BUT INACTIVE AT THE MOMENT.

Q ABOUT WHEN DID HE BECOME INACTIVE, IF YOU CAN RECALL? JUST A YEAR WOULD BE FINE.

A I WOULD SAY SINCE -- GOSH. IN THE LATE '70'S, EITHER '79 -- '78, '79, '80. FOUR YEARS AGO. FOUR-PLUS YEARS AGO.

Q WHEN DID MR. HUNT BEGIN BEING A CLIENT OF YOURS? ABOUT WHAT YEAR?

A IN I BELIEVE ABOUT 1976.

Q AND WAS HE A CONTINUOUS CLIENT OF YOURS FROM THAT TIME UNTIL HE BECAME INACTIVE IN ROUGHLY 1979?

A YES, HE WAS.

MR. COLE: YOUR HONOR, AT THIS TIME I WOULD LIKE TO HAVE COUNSEL SIGN A STIPULATION WE HAD AGREED TO BEFOREHAND, AND PUBLISH IT TO THE JURY.

THE COURT: ALL RIGHT, SIR. IF IT HAS BEEN AGREED

TO.

MR. LEWIN: YOUR HONOR, THERE WERE SOME OTHER RECORDS I THOUGHT THAT WE HAD AGREED THAT WE WOULD STIPULATE TO, A WHOLE BUNDLE, AND I GATHER THE GOVERNMENT ONLY HAS PART OF THE RECORDS HERE. I WOULD LIKE TO USE THE REMAINDER ON CROSS-EXAMINATION. SO I WOULD APPRECIATE IT IF THEY COULD BE MADE AVAILABLE.

THE COURT: WELL, THEY MAY ARRIVE BY THEN. BUT SHALL WE MOVE ON WITH WHAT WE HAVE IN THE MEANTIME.

MR. COLE: YOUR HONOR, I WOULD LIKE TO NOW PUBLISH STIPULATION NO. 3 TO THE JURY, IF I MAY.

"IT IS HEREBY AGREED AND STIPULATED BETWEEN THE UNITED STATES" --

MR. LEWIN: ONE MINUTE, PLEASE. WITH REGARD TO THAT STIPULATION, YOUR HONOR, I JUST WANT THE RECORD TO REFLECT I WANT THE OPPORTUNITY TO HAVE ALL THE RECORDS HERE TO CROSS-EXAMINE MR. NICHOLS. AND I CERTAINLY DO NOT STIPULATE IF IT IS GOING TO PREVENT ME FROM PRODUCING THE OTHER ORIGINAL RECORDS.

THE COURT: ALL RIGHT. MR. COLE, HOW SOON WOULD THE OTHER RECORDS BE HERE, THEN, IF THAT WAS PART OF THE AGREED-UPON STIPULATION, THAT MR. LEWIN WOULD HAVE ACCESS TO ALL OF THOSE MATTERS AT THE TIME THAT HIS CROSS-EXAMINATION WOULD COMMENCE?

MR. COLE: YOUR HONOR, I'M NOT SURE. THAT WAS ALL

THAT WAS AGREED UPON. I CAN HAVE ALL OF THE REST OF THE RECORDS HERE PROBABLY IN TEN MINUTES, IF I MAY HAVE --

THE COURT: AND I TRUST THAT CROSS-EXAMINATION, WE WOULDN'T BE READY FOR IT BY THEN. RIGHT?

MR. COLE: YES. IF I CAN JUST HAVE ONE WORD WITH SOMEONE AND HAVE THEM GO DOWN TO SEND A MESSAGE.

THE COURT: YOU CAN. SURELY.

VERY GOOD. NOW YOU CAN READ THE STIPULATION NO. 3.

MR. COLE: "IT IS HEREBY AGREED AND STIPULATED BETWEEN THE UNITED STATES AND THE DEFENDANT, GEORGE V. HANSEN, THAT THE ATTACHED COMMODITIES FUTURES RECORDS FROM MITCHELL HUTCHINS, INC., ARE AUTHENTIC. RESPECTFULLY SUBMITTED," AND IT IS SIGNED BY THE PARTIES. ATTACHED TO THIS ARE COMBINED COMMODITIES STATEMENTS AND PURCHASE AND SALE STATEMENTS FROM MITCHELL HUTCHINS, DATED APRIL 20TH, 1977, APRIL 22ND, 1977, APRIL 25TH, 1977, APRIL 29TH, 1977, MAY 27, 1977.

THERE IS A NEW CUSTOMER ACCOUNT FORM, WHICH IS UNDATED, BUT IT IS FOR CONNIE S. HANSEN ACCOUNT.

THERE IS A PURCHASE, A BUY OFFICE ORDER FOR APRIL 20TH, 1977; A FLOOR ORDER, AS IT IS CALLED, FOR APRIL 20TH, 1977; AND A FLOOR SELL ORDER AND AN OFFICE SELL ORDER, ALSO BOTH FOR APRIL 20TH, 1977.

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, JUST AS WE HAVE PREVIOUSLY ADVISED YOU, A STIPULATION IS AN AGREED-UPON STATEMENT BETWEEN COUNSEL THAT THE MATTER THAT IS REFERRED

TO IS SO, AND YOU MAY CONSIDER THAT AS UNDISPUTED EVIDENCE.

ALL RIGHT. MR. COLE.

BY MR. COLE:

Q MR. NICHOLS, I WOULD LIKE TO NOW SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED GOVERNMENT'S EXHIBIT 9-A, WHICH IS THE COMMODITIES STATEMENT FOR APRIL 20TH, 1977. HAVE YOU EVER SEEN THAT BEFORE?

A YES, I HAVE.

Q WERE YOU INVOLVED IN ANY OF THE TRANSACTIONS REFLECTED ON THAT ACCOUNT?

A YES, I WAS.

Q COULD YOU TELL US, MR. NICHOLS, WHO CALLED YOU INITIALLY CONCERNING THE TRANSACTIONS REFLECTED ON THAT ACCOUNT?

A MR. BUNKER HUNT.

Q AND WHAT DATE WAS IT THAT HE CALLED YOU?

A APRIL 20TH, 1977.

Q TO THE BEST OF YOUR KNOWLEDGE, WAS MR. HUNT A CLIENT OF YOURS AT THAT TIME?

A YES, HE WAS.

Q WHAT DID MR. HUNT TELL YOU THAT DAY? FIRST OF ALL, WAS IT IN THE MORNING OR THE AFTERNOON THAT HE CALLED YOU INITIALLY?

A I PROBABLY TALKED TO HIM SEVERAL TIMES DURING THAT DAY, FROM -- I'M GOING TO SAY 9:00 O'CLOCK IN THE MORNING

UNTIL 1:30 IN THE AFTERNOON.

Q SO THE FIRST CALL WAS IN THE MORNING?

A YES.

Q DURING THAT FIRST CALL, WHAT DID MR. HUNT SAY TO YOU?

A WELL, I CANNOT SPECIFY AS TO WHICH CALL, SO WHEN YOU SAY THE FIRST CALL -- BUT ONE OF THE FIRST CALLS IN THE MORNING, NOT NECESSARILY THE FIRST, WAS AN ORDER TO BUY SOME SOYBEANS.

Q HOW MANY SOYBEANS DID MR. HUNT WANT YOU TO BUY?

A 250,000 BUSHELS.

Q NOW, 250,000 BUSHELS OF SOYBEANS, HOW MANY CONTRACTS IS THAT, MR. NICHOLS?

A THAT WOULD BE FIFTY CONTRACTS OF 5,000 BUSHELS EACH.

Q AND WHOSE ACCOUNT WERE THESE SOYBEANS TO BE PURCHASED FOR?

A MR. BUNKER HUNT'S.

Q DID HE AT ANY TIME AT THAT POINT MAKE ANY MENTION OF ANY OTHER PERSON WHO THESE SOYBEANS WOULD BE FOR?

A NO.

Q DID YOU BUY THOSE SOYBEANS?

A YES.

Q MR. NICHOLS, IF YOU COULD REFER TO THE STATEMENT, DOES IT REFLECT HOW MUCH YOU PAID PER BUSHEL FOR THOSE SOYBEANS THAT DAY?

A YES, IT DOES.

Q AND HOW MUCH DID YOU PAY? PER BUSHEL.

A WE PURCHASED 30,000 BUSHELS OF SOYBEANS AT $9.95 PER BUSHEL, AND WE PURCHASED 220,000 JULY SOYBEANS AT $9.96 PER BUSHEL.

Q MR. NICHOLS, FROM YOUR EXPERIENCE AS A SOYBEAN DEALER AND COMMODITIES DEALER, FOR AN INDIVIDUAL PERSON, IS THIS A LARGE OR SMALL PURCHASE?

A IT'S A LARGE PURCHASE.

Q MR. NICHOLS, PRIOR TO TODAY, DID I ASK YOU TO MAKE SOME CALCULATIONS CONCERNING THESE SOYBEAN TRANSACTIONS?

A YES, YOU DID.

Q DO YOU HAVE THOSE CALCULATIONS WITH YOU TODAY?

A YES, I DO.

Q MAY I SEE THEM FOR A MOMENT, PLEASE?

THE COURT: WOULD COUNSEL LIKE TO SEE THEM ALSO, SINCE THE WITNESS IS PRODUCING THEM FROM HIS BREAST POCKET?

MR. LEWIN: YES, YOUR HONOR. THANK YOU.

THE COURT: THANK YOU, MR. LEWIN AND MR. COLE.

BY MR. COLE:

Q MR. NICHOLS, I HAND YOU BACK THIS CALCULATION SHEET. ON THAT CALCULATION SHEET, MR. NICHOLS, DID YOU MAKE CALCULATIONS AS TO THE VALUE OF THE PURCHASE PRICE OF THESE SOYBEANS THAT YOU BOUGHT ON APRIL 20TH FOR MR. HUNT'S ACCOUNT?

A YES, I DID.

Q AND WHAT IS THE VALUE OF THOSE BEANS?

A THE TOTAL VALUE OF THAT SPECIFIC 250,000 BUSHELS IS A TOTAL OF $2,489,700.

MR. COLE: YOUR HONOR, AT THIS TIME I WOULD REQUEST PERMISSION TO PUT THE FIRST ENTRY ON THE CHART.

THE COURT: YES, SIR. COUNSEL, YOU MIGHT WANT TO SHOW THEM TO MR. LEWIN IN THIS MANNER, INITIALLY.

MR. COLE: I WILL, YOUR HONOR.

MR. LEWIN: COULD I JUST SEE THAT YELLOW PIECE OF PAPER?

THE COURT: OF COURSE.

MR. LEWIN: MAY I JUST VOIR DIRE THE WITNESS ON THAT, YOUR HONOR, JUST FOR A MOMENT?

THE COURT: ON THE CALCULATIONS?

MR. LEWIN: WELL, YES. I MEAN THAT'S GOING UP ON THE CHART. I WOULD JUST LIKE TO ASK HIM --

THE COURT: YOU MEAN AS TO THE MONETARY CALCULATIONS

MR. LEWIN: YES.

THE COURT: BECAUSE THAT'S WHAT I ASSUME IS ON THAT PIECE OF PAPER.

MR. LEWIN: RIGHT. WITH REGARD TO THAT PIECE OF PAPER.

THE COURT: IF YOU WILL, SIR. IF IT CAN'T WAIT UNTIL CROSS-EXAMINATION AND YOU BELIEVE THAT IT IS GERMANE TO VOIR DIRE HIM ON THE MONETARY CALCULATIONS, YOU ARE, OF

COURSE, ENTITLED TO DO SO.

IT IS A DISPUTED MATTER AS TO THE CALCULATION, OR A QUESTION ABOUT IT?

MR. LEWIN: FRANKLY, I DON'T UNDERSTAND. I SEE NUMBERS ON THE PAPER.

THE COURT: ALL RIGHT. MAY I ASK, THEN: MR. NICHOLS, HOW DID YOU CALCULATE THIS SUM? LET'S COME DIRECTLY TO THAT.

THE WITNESS: YOUR HONOR, MAY I HAVE MY PAPER RETURNED SO I MAY ANSWER YOUR QUESTION?

THE COURT: SURELY. MR. LEWIN. IF YOU DON'T MIND IF MR. LEWIN COMES UP AND SEES YOU POINT TO THOSE CALCULATIONS, PERHAPS WE CAN SAVE TIME.

THE WITNESS: NO, NOT AT ALL.

I DID THIS FAIRLY, YOU KNOW, QUICKLY, BECAUSE I COULD ALMOST HAVE DONE IT IN MY HEAD, BUT I DIDN'T WANT TO MAKE MISTAKES. SO I TOOK THE INITIAL 30,000 BUSHELS OF SOYBEANS BOUGHT AT $9.95. AND HERE IS A NUMBER ON MY CALCULATION OF 995, MULTIPLIED BY 30, WHICH COMES OUT TO 29,800 -- SORRY. 298,500. THEN, READING FROM THIS PINK SHEET, I TOOK 220,000 BEANS PURCHASED AT 9.96, SO HERE I HAVE A NUMBER OF 996 WITH A 22, MULTIPLIED THAT OUT, WHICH CAME TO $2,191,200. ON THE RIGHTHAND SIDE OF MY PIECE OF PAPER THEY ARE ADDED TOGETHER TO REACH THE TOTAL THAT I GAVE.

THE COURT: DOES THAT SATISFY THE INQUIRY, MR. LEWIN?

MR. LEWIN: I UNDERSTAND THAT.

THE COURT: VERY GOOD.

VOIR DIRE EXAMINATION

BY MR. LEWIN:

Q AND, MR. NICHOLS, YOU PULLED OUT THAT YELLOW SHEET OF PAPER -- YOU JUST MADE THAT CALCULATION? IS THAT WHAT YOU'RE TELLING US?

A NO.

Q SO WHAT IS THAT YELLOW SHEET OF PAPER?

A THAT WAS A YELLOW SHEET OF PAPER THAT I MADE THIS CALCULATION ON DURING A MEETING WITH MR. COLE, WHO INFORMED ME THAT HE PROBABLY WOULD BE ASKING ME THE QUESTION OF THE TOTAL DOLLAR VALUE. AND I DID NOT -- AND I TOLD HIM AT THAT TIME THAT I DID NOT WANT TO BE ON THIS WITNESS STAND UNPREPARED IF IT WERE PERMITTED FOR ME TO MAKE THE CALCULATION.

Q SO THAT WAS MADE SOME TIME AGO.

A YES.

Q SEVERAL WEEKS AGO?

A NO. SEVERAL DAYS AGO.

Q SEVERAL DAYS AGO.

THE COURT: WOULD YOUR CALCULATIONS BE THE SAME TODAY, SIR, IF YOU WERE TO SIT HERE IN THE COURTROOM AND CALCULATE THEM OUT?

THE WITNESS: YES, YOUR HONOR.

THE COURT: THANK YOU.

MR. COLE: YOUR HONOR, I WOULD NOW AGAIN --

THE COURT: PLACE THAT ON THE BOARD, MR. COLE.

MR. COLE: THANK YOU. FOR THE RECORD, YOUR HONOR, I AM FIRST PLACING THE YEAR 1977, AND THEN PLACING A PLACARD WHICH STATES, "APRIL 20TH, NICHOLS ORDERS PURCHASE OF 50 SOYBEAN CONTRACTS; VALUE: $2,489,700.

THE COURT: CAN THE JURORS SEE THAT MATTER THAT HAS JUST BEEN PLACED UP THERE? CAN YOU SEE IT, MR. LEWIN?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: VERY GOOD.

DIRECT EXAMINATION (RESUMED)

BY MR. COLE:

Q MR. NICHOLS, I WOULD NOW LIKE TO SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED GOVERNMENT'S EXHIBIT 11-A. DO YOU RECOGNIZE THAT DOCUMENT, SIR?

A YES, I DO.

Q COULD YOU TELL US WHAT THAT IS?

A IT IS AN OFFICE ORDER, A MITCHELL HUTCHINS OFFICE ORDER TO BUY 250,000 BUSHELS OF JULY SOYBEANS AT 9.96 AND TO CANCEL A PREVIOUS ORDER OF 9.87.

Q IS THAT AN OFFICE ORDER THAT YOU HAD SOMETHING TO DO WITH FILLING OUT? DID YOU FILL PART OF IT OUT?

A YES. I CAN RECOGNIZE SOME OF MY OWN HANDWRITING.

Q IN THE SPACE MARKED "ACCOUNT NUMBER" -- WELL, FIRST DOES THAT RELATE -- WHAT IS THE DATE OF THAT OFFICE ORDER, MR. NICHOLS, IF YOU CAN SEE A TIME STAMP ON IT?

A APRIL 20TH, 1977.

Q IS THAT THE OFFICE ORDER THAT CORRESPONDS TO THE TRANSACTION WE ARE DISCUSSING OF 250,000 SOYBEAN BUSHELS?

A YES, IT IS.

MR. COLE: YOUR HONOR, GOVERNMENT WOULD MOVE EXHIBIT 11-A INTO EVIDENCE.

THE COURT: WITHOUT OBJECTION?

MR. LEWIN: NO OBJECTION, YOUR HONOR.

THE COURT: ALL RIGHT. IT IS IN EVIDENCE, THEN.

(GOVERNMENT'S EXHIBIT 11-A WAS RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. NICHOLS, GOING TO THE ACCOUNT NUMBER SECTION OF THAT FORM, COULD YOU TELL THE JURY WHAT IS THERE?

A UNDER THE ACCOUNT SECTION FORM, THERE IS A NUMBER THAT HAS BEEN SCRATCHED OUT.

Q DO YOU KNOW WHAT THAT NUMBER IS, SIR?

A I BELIEVE IT IS 13876.

Q AND WHOSE ACCOUNT NUMBER IS THAT, IF YOU KNOW?

A THAT WAS MR. BUNKER HUNT'S.

Q IS THERE ANOTHER ACCOUNT NUMBER WRITTEN IN AFTER THE SCRATCH-OUT, MR. NICHOLS?

A YES, THERE IS.

Q AND WHAT ACCOUNT NUMBER IS THAT?

A THAT IS 13435.

Q AND WHOSE ACCOUNT NUMBER IS THAT, MR. NICHOLS?

A WELL, I CAN TELL THAT IT IS MRS. HANSEN'S FROM THIS ORIGINAL EXHIBIT YOU GAVE ME.

Q MR. NICHOLS, DO YOUR INITIALS APPEAR ANYWHERE THERE AUTHORIZING THAT CROSS-OUT?

A YES. I HAVE INITIALED THE CROSS-OUT.

Q HOW DID IT COME THAT MR. HUNT'S ACCOUNT NUMBER WAS CROSSED OUT AND MRS. HANSEN'S WAS REPLACED?

A BECAUSE MR. HUNT SO INSTRUCTED ME.

Q AND WHEN WAS THIS IN THE DAY, MR. NICHOLS?

A IT WAS -- I CANNOT BE EXACT, SO IT WOULD HAVE BEEN SOMEWHERE AROUND THE CLOSE OF THE MARKET, WHICH WOULD BE 1:15 P.M. CHICAGO TIME. SO I AM GOING TO SAY BETWEEN 1:00 O'CLOCK P.M. CHICAGO TIME AND 1:30 CHICAGO TIME.

Q WHAT DID MR. HUNT TELL YOU IN THESE INSTRUCTIONS?

A HE INSTRUCTED ME TO PLACE THE 250,000 BUSHELS OF JULY BEANS PURCHASED THAT WE HAVE TALKED ABOUT OUT OF HIS ACCOUNT INTO A NEW ACCOUNT FOR MRS. HANSEN.

Q AND HE TOLD YOU THIS JUST SHORTLY BEFORE THE CLOSE OF THE MARKET?

A EITHER SHORTLY BEFORE THE CLOSE OR SHORTLY THEREAFTER.

Q MR. NICHOLS, DID YOU SELL THOSE SOYBEANS THAT DAY?

A YES, I DID.

Q AND WHAT ACCOUNT DID YOU SELL THEM FOR?

A THEY ARE SOLD IN THE ACCOUNT OF MRS. HANSEN.

Q AND WAS THERE A PROFIT ON THIS SALE? FIRST, WHAT HAD HAPPENED WITH THE SOYBEAN MARKET THAT DAY, IF YOU KNOW?

A I HAVE REFRESHED MY MEMORY, AND THE SOYBEAN MARKET RALLIED SUBSTANTIALLY FROM, SAY, MIDMORNING SESSION, WHICH I WOULD SAY IN ROUND FIGURES, MIDMORNING BEING 11:00 O'CLOCKISH CHICAGO TIME -- HAD RALLIED QUITE SUBSTANTIALLY TOWARDS THE CLOSE AT 1:15 CHICAGO TIME.

Q WAS THIS RALLY -- DID THIS HAPPEN AFTER THOSE CONTRACTS WERE PURCHASED?

A YES.

Q WAS THERE A PROFIT ON THIS TRANSACTION, MR. NICHOLS?

A YES.

Q HOW MUCH OF A PROFIT?

A THERE WAS A GROSS PROFIT OF $51,775 -- NO, I'M SORRY. I HAVE TO COUGH, IF I MAY. THERE IS A GROSS PROFIT OF 52,800, COMMISSIONS CHARGED OF $1,025, FOR A NET PROFIT OF $51,775.

MR. COLE: YOUR HONOR I AM NOW GOING TO SHOW THE NEXT TWO ENTRIES TO COUNSEL FOR THE CHART.

THE COURT: THANK YOU.

MR. COLE: YOUR HONOR, I WOULD ASK PERMISSION TO PLACE THESE ON THE CHART.

THE COURT: ALL RIGHT. I TAKE IT THAT MR. LEWIN HAS SEEN THEM.

MR. LEWIN: I HAVE SEEN THEM, AND IT IS SUBJECT TO

THE OBJECTIONS WE HAVE MADE PRIOR TO TRIAL.

THE COURT: WE UNDERSTAND, MR. LEWIN.

MR. COLE: YOUR HONOR, FOR THE RECORD, I AM NOW PLACING A PLACARD ON THE CHART WHICH STATES, FOR THE SAME DATE, APRIL 20TH, "CONTRACTS PLACED IN ACCOUNT OPENED FOR MRS. HANSEN." AND A SECOND PLACARD, STATING, "CONTRACTS SOLD FOR NET PROFIT OF $51,775."

BY MR. COLE:

Q MR. NICHOLS, JUST TO COMPLETE THIS TRANSACTION, I WOULD NOW LIKE TO SHOW YOU GOVERNMENT'S EXHIBIT 11-A, 12-A, AND 12-B, AND ASK YOU IF THOSE DOCUMENTS ALSO RELATE TO THE PURCHASE AND SALE OF THESE SOYBEAN CONTRACTS.

A YES, THEY DO.

Q GOING TO -- IF I MAY LOOK AT IT -- THE PURCHASE FLOOR ORDER FOR THAT CONTRACT, DOES THERE ALSO APPEAR THE EXACT SAME --

THE COURT: EXCUSE ME. WHICH IS MARKED AS WHICH EXHIBIT?

BY MR. COLE:

Q IF YOU COULD TELL US THE EXHIBIT NUMBER ON THE BACK, MR. NICHOLS.

A EXHIBIT NO. 12-A.

THE COURT: THANK YOU.

MR. COLE: THANK YOU.

FIRST OF ALL, YOUR HONOR, I WOULD MOVE ALL OF THESE

EXHIBITS INTO EVIDENCE.

MR. LEWIN: I DON'T HAVE ANY OBJECTION TO THE GROUP OF EXHIBITS. FRANKLY, I DON'T KNOW WHICH ONE IS WHICH.

THE COURT: DO YOU WANT TO COME UP AND SEE WHICH ONE IS WHICH?

MR. LEWIN: YES, IF I COULD, YOUR HONOR.

THE COURT: SPECIFICALLY, WHICH ONES ARE YOU MOVING IN EVIDENCE, THEN, MR. COLE?

MR. COLE: I AM NOW MOVING IN EVIDENCE, YOUR HONOR, EXHIBIT NO. 12-A, WHICH IS THE FLOOR PURCHASE ORDER, 12-B, WHICH IS THE FLOOR SALES ORDER, AND 11-B, WHICH IS THE OFFICE SALES ORDER.

THE COURT: ALL RIGHT. 11-A ALREADY BEING IN EVIDENCE.

MR. COLE: YES, YOUR HONOR.

THE COURT: ALL RIGHT. ANY OBJECTION, MR. LEWIN?

MR. LEWIN: NO OBJECTION.

THE COURT: WITHOUT OBJECTION, THEY ARE ALL IN EVIDENCE.

(GOVERNMENT'S EXHIBITS 11-B,
12-A AND 12-B WERE RECEIVED
IN EVIDENCE)

BY MR. COLE:

Q GOING NOW TO -- IF YOU COULD TELL ME THE NUMBER AGAIN, MR. NICHOLS.

A GOVERNMENT EXHIBIT NO. 12-A.

Q IN 12-A, IS THERE ALSO AN ACCOUNT NUMBER CHANGE?

A YES, THERE IS.

Q AND WHAT WAS THE ORIGINAL ACCOUNT NUMBER?

A I'D SAY THE ORIGINAL ACCOUNT NUMBER IS HARDER TO READ, BUT IT WOULD APPEAR TO BE THE SAME NUMBER OF 13876. BUT IT IS SCRATCHED OUT RATHER DELIBLY.

Q AND THAT 13876 IS MR. HUNT'S ACCOUNT?

A YES.

Q AND IT IS REPLACED WITH MRS. HANSEN'S ACCOUNT NUMBER?

A IT IS REPLACED WITH 13435, WHICH IS MRS. HANSEN'S ACCOUNT NUMBER.

Q MR. NICHOLS, PRIOR TO OR ANY TIME DURING YOUR PURCHASE AND SALE OF THESE SOYBEANS, DID YOU TALK TO MRS. HANSEN?

A NO.

Q WHEN WAS THE FIRST ITME YOU TALKED TO CONNIE HANSEN ON THE 20TH OF APRIL?

A AFTER THE CLOSE OF THE MARKET THAT DAY.

Q HAD YOU EVER TALKED TO HER BEFORE THE 20TH OF APRIL?

A NO.

Q DID YOU CALL MRS. HANSEN?

A YES.

Q AT WHOSE INSTRUCTION?

A MR. HUNT'S.

Q HAD HE MENTIONED ANYTHING TO YOU THAT DAY UNTIL THE

TIME HE TOLD YOU TO SELL THOSE CONTRACTS ABOUT MRS. HANSEN?

A NO.

Q WHEN YOU TALKED TO MRS. HANSEN, DID YOU TELL HER WHAT YOU HAD JUST DONE ON HER BEHALF?

A NO.

Q DID SHE SEEM TO KNOW?

A NO.

Q WHAT KIND OF CONVERSATION DID YOU HAVE WITH HER?

A I MERELY ASKED HER -- IN FACT, I WANT TO BE VERY SPECIFIC HERE. IT IS POSSIBLE THAT I JUST TELEPHONED AND INTRODUCED MYSELF AND TOLD HER THAT MR. HUNT HAD INSTRUCTED ME TO OPEN AN ACCOUNT FOR HER. I MAY HAVE HAD SOMEBODY ELSE IN MY OFFICE GET THE SPECIFICS, OR I MAY HAVE DONE IT MYSELF, WHICH WOULD SIMPLY BE PERTINENT DATA OF NAME, ADDRESS.

Q DID YOU AT ANY TIME DISCUSS THE SOYBEAN PURCHASE, WHETHER SHE WANTED TO BUY CONTRACTS, WANTED TO SELL CONTRACTS, ANYTHING OF THAT NATURE, WITH HER?

A NO.

Q MR. NICHOLS, I WOULD LIKE TO SHOW YOU WHAT HAS BEEN PREVIOUSLY MARKED GOVERNMENT'S EXHIBIT 10 AND ASK YOU IF YOU RECOGNIZE IT.

A YES.

Q IS THAT A COMMODITY NEW CUSTOMER FORM?

A IT'S A MITCHELL HUTCHINS NEW COMMODITY ACCOUNT FORM FOR AN INDIVIDUAL ACCOUNT.

Q AND WHOSE ACCOUNT IS THAT FOR?

A MRS. HANSEN.

Q IS THAT THE FORM YOU FILLED OUT OR HAD FILLED OUT APRIL 20TH?

A I DID NOT FILL IT OUT, BUT --

Q DID YOU HAVE IT FILLED OUT AT YOUR INSTRUCTION?

A YES.

MR. COLE: YOUR HONOR, I WOULD MOVE THAT INTO EVIDNCE AT THIS TIME.

THE COURT: NO OBJECTION?

MR. LEWIN: WHO WAS IT WHO DID FILL IT OUT, MR. --

THE COURT: SIR --

MR. LEWIN: JUST IN TERMS OF VOIR DIRE, YOUR HONOR. JUST TO FIND OUT WHETHER IT WAS FILLED OUT AT THE TIME.

THE COURT: DO YOU KNOW, SIR?

THE WITNESS: I CAN RECOGNIZE -- I THINK I CAN. THIS WAS WRITTEN NOW SEVEN YEARS AGO, BUT I'M QUITE POSITIVE, REALLY, IT WAS FILLED OUT BY AN EMPLOYEE WHO REPORTS DIRECTLY TO ME, CALLED RICHARD LYNCH, L-Y-N-C-H.

MR. LEWIN: AND HE FILLED THAT OUT AT YOUR DIRECTION?

THE WITNESS: YES, SIR.

MR. LEWIN: YOU GAVE HIM THE INFORMATION TO PUT ON THERE?

THE WITNESS: I DO NOT KNOW WHETHER I GAVE HIM THE

INFORMATION OR WHETHER I INSTRUCTED HIM TO GET THE INFORMATION FROM MRS. HANSEN.

MR. LEWIN: THANK YOU.

THE COURT: ALL RIGHT, SIR.

MR. LEWIN: NO OBJECTION.

(GOVERNMENT'S EXHIBIT 10 WAS
RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. NICHOLS, DID YOU EVER TALK TO CONNIE HANSEN AGAIN AFTER THE DAY APRIL 20TH THAT YOU HAD THIS FORM FILLED OUT?

A I AM 99 PERCENT SURE THAT I DID NOT. IN FACT -- NO, I WILL ANSWER I DID NOT.

Q I WOULD LIKE TO DRAW YOUR ATTENTION NOW TO APRIL 22ND, 1977, MR. NICHOLS, AND SHOW YOU WHAT HAS BEEN MARKED AS GOVERNMENT'S EXHIBIT 9-B, A COMMODITIES STATEMENT FOR THAT DAY FROM MITCHELL HUTCHINS. DO YOU RECOGNIZE THAT?

A YES, I DO.

Q DOES THAT HAVE TO DO WITH THE SOYBEAN TRADE THAT YOU DID FOR THE CONNIE HANSEN ACCOUNT ON THAT DATE?

A YES, IT DOES.

MR. COLE: YOUR HONOR, I WOULD MOVE THAT INTO EVIDENCE AT THIS TIME.

MR. LEWIN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 9-B WAS RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. NICHOLS, HOW MANY BUSHELS OF SOYBEANS DID YOU BUY ON THAT DAY FOR THE CONNIE HANSEN ACCOUNT?

A 100,000 BUSHELS.

Q HOW MANY CONTRACTS IS THAT?

A TWENTY.

Q AND WHAT WAS THE PRICE OF THOSE BUSHELS OF SOYBEANS THAT DAY?

A $10.46 PER BUSHEL.

Q AND WHAT IS THE VALUE, IF YOU CAN LOOK AT YOUR CALCULATION SHEET, OF THOSE TWENTY CONTRACTS?

A $1,046,000.

MR. COLE: YOUR HONOR, AT THIS TIME I WOULD LIKE TO PUT THE NEXT ENTRY ON THE CHART.

THE COURT: MR. LEWIN?

ALL RIGHT. PUT IT ON THE CHART.

MR. COLE: I AM PUTTING ON ENTRY DATED APRIL 22ND, FOR THE RECORD: "NICHOLS ORDERS PURCHASE OF 20 SOYBEAN CONTRACTS FOR ACCOUNT OF MRS. HANSEN; VALUE: $1,046,000."

BY MR. COLE:

Q MR. NICHOLS, DID YOU SELL THOSE CONTRACTS THAT DAY?

A YES.

Q AND IS IT A FAIR STATEMENT YOU SOLD THEM AT BASICALLY

THE SAME PRICE THEY WERE PURCHASED FOR?

A YES. WE SOLD 50,000, OR HALF OF THEM, AT A PENNY LESS, AND WE SOLD 50,000, OR THE OTHER HALF OF THEM, AT A PENNY MORE, FOR AN EVEN TRANSACTION. WELL, OF COURSE, MINUS A COMMISSION.

Q SO NO GAIN, NO LOSS. JUST A SMALL COMMISSION LOSS.

A CORRECT.

Q AND HOW MUCH WOULD THAT COMMISSION LOSS BE?

A $410.

MR. COLE: YOUR HONOR, I AM PUTTING THE NEXT ENTRY ON THE CHART, THE SAME DATE. "CONTRACTS SOLD FOR NET LOSS OF $410."

BY MR. COLE:

Q MR. NICHOLS, WHO TOLD YOU TO BUY THOSE CONTRACTS THAT DATE?

A MR. HUNT.

Q WHO TOLD YOU WHAT PRICE TO BUY THEM AT?

A MR. HUNT.

Q WHO TOLD YOU HOW MANY TO BUY?

A MR. HUNT.

Q AND WHO TOLD YOU TO SELL THEM?

A MR. HUNT.

Q DID CONNIE HANSEN EVER TELL YOU ANYTHING AS FAR AS WHAT YOU SHOULD DO WITH THOSE CONTRACTS?

A NO.

Q DID YOU EVER TALK TO HER ABOUT THAT PURCHASE OR SALE?

A NO.

Q MR. NICHOLS, I WOULD NOW LIKE TO SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED GOVERNMENT'S EXHIBIT 9-C, WHICH IS A COMMODITIES COMBINED STATEMENT FOR APRIL 25TH, 1977,. CONCERNING THE CONNIE HANSEN ACCOUNT. DO YOU RECOGNIZE THAT, SIR?

A YES, I DO.

Q DOES THAT HAVE TO DO WITH A PURCHASE THAT YOU MADE ON BEHALF OF THAT ACCOUNT?

A YES, IT DOES.

MR. COLE: YOUR HONOR, I WOULD MOVE IT INTO EVIDENCE.

MR. LEWIN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE, WITHOUT OBJECTION.

(GOVERNMENT'S EXHIBIT 9-C WAS
RECEIVED IN EVIDENCE)

BY MR. COLE:

Q APRIL 25TH, 1977, MR. NICHOLS, HOW MANY SOYBEANS DID YOU BUY?

A 200,000 BUSHELS.

Q AND HOW MANY CONTRACTS IS THAT, SIR?

A FORTY.

Q AND THE PRICE THAT YOU PAID FOR THOSE BUSHELS?

A WE PAID $10.25 PER BUSHEL.

Q AND, MR. NICHOLS, IF YOU COULD AGAIN GO TO YOUR CALCULATION SHEET, WHAT IS THE VALUE OF THAT PURCHASE?

A $2,050,000.

MR. COLE: YOUR HONOR, I WOULD LIKE TO PUT THE NEXT ENTRY UP ON THE BOARD.

THE COURT: YES.

MR. COLE: FOR THE RECORD, DATED APRIL 25TH. "NICHOLS ORDERS PURCHASE OF 40 SOYBEAN CONTRACTS FOR ACCOUNT OF MRS. HANSEN; VALUE: $2,050,000."

BY MR. COLE:

Q MR. NICHOLS, WHO TOLD YOU TO BUY THOSE SOYBEANS THAT DAY?

A MR. HUNT.

Q DID MRS. HANSEN EVER TALK TO YOU ABOUT IT?

A NO.

Q DID YOU EVER TALK TO HER ABOUT IT?

A NO.

Q WERE THOSE SOYBEANS HELD ON TO FOR A WHILE, SIR? WERE THEY SOLD THAT DAY?

A NO.

Q I WOULD LIKE TO NOW SHOW YOU WHAT HAS BEEN PREVIOUSLY MARKED GOVERNMENT'S EXHIBIT 9-D, COMMODITIES ACCOUNT STATEMENT FOR MITCHELL HUTCHINS DATED APRIL 29TH, 1977, FOR THE CONNIE HANSEN ACCOUNT. DO YOU RECOGNIZE THAT, SIR?

A YES, I DO.

MR. COLE: YOUR HONOR, I WOULD MOVE IT INTO EVIDENCE.

THE COURT: NO OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 9-D WAS
RECEIVED IN EVIDENCE)

BY MR. COLE:

Q DOES THAT REFLECT WHEN YOU SOLD THESE SOYBEANS THAT WERE PURCHASED HERE FOR OVER TWO MILLION DOLLARS?

A YES. A PURCHASE ON THE 25TH AND SOLD ON THE 29TH OF APRIL, 1977.

Q AND WHAT WERE THEY SOLD AT?

A THEY WERE SOLD AT A PRICE OF $9.83 PER BUSHEL.

Q WAS THERE A LOSS ON THAT?

A YES.

Q AND HOW MUCH WAS THAT LOSS, SIR?

A THAT WAS A GROSS LOSS OF $84,000. COMMISSIONS CHARGED, $1,220, FOR A NET LOSS OF $85,220.

Q AND COULD YOU TELL US WHAT THAT DID AS FAR AS THE ACCOUNT TOTALS ON THAT ACCOUNT? WAS THERE A TOTAL LOSS OR A TOTAL GAIN AT THIS POINT?

A A TOTAL LOSS.

Q AND HOW MUCH IS THAT LOSS, WITH ALL THE GAINS AND LOSSES FIGURED TOGETHER, AT THIS TIME?

A A LOSS OF $33,855.

MR. COLE: YOUR HONOR, I AM SHOWING COUNSEL THE NEXT THREE ENTRIES ON THE CHART.

YOUR HONOR, I REQUEST PERMISSION TO PUT THE NEXT THREE ENTRIES UP.

THE COURT: YES, SIR.

MR. COLE: APRIL 29TH, "NICHOLS ORDERS SALE OF 40 SOYBEAN CONTRACTS."

SAME DATE: "CONTRACTS SOLD FOR NET LOSS OF $85,220."

SAME DATE: "TOTAL LOSS ON SOYBEAN CONTRACTS AS OF THIS DATE: $33,855."

BY MR. COLE:

Q MR. NICHOLS, I WOULD NOW LIKE TO SHOW YOU WHAT HAS BEEN MARKED GOVERNMENT'S EXHIBIT 9-E, A COMBINED COMMODITIES ACCOUNT STATEMENT FOR CONNIE HANSEN FROM MITCHELL HUTCHINS, DATED MAY 27, 1977. DO YOU RECOGNIZE THAT, SIR?

A YES, I DO.

Q DOES THAT HAVE TO DO WITH THE ACCOUNT WE HAVE BEEN DISCUSSING HERE TODAY?

A YES.

MR. COLE: YOUR HONOR, I WOULD MOVE IT INTO EVIDENCE.

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE, WITHOUT OBJECTION.

(GOVERNMENT'S EXHIBIT 9-E WAS RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. NICHOLS, WHAT DOES THAT ACCOUNT STATEMENT REFLECT?

A IT REFLECTS INITIALLY THE DEBIT OR LOSS BALANCE OF $33,855. IT SHOWS A CREDIT OF CASH RECEIVED OF $33,855, FOR A CURRENT ACCOUNT BALANCE OF ZERO.

Q MR. NICHOLS, IS IT FAIR TO STATE IT REFLECTS THAT ON THE 27TH OF MAY, 1977, THE LOSS ON THE ACCOUNT, THE DEBT ON THE ACCOUNT, WAS PAID OFF?

A YES. MAY 27TH, 1977.

Q MR. NICHOLS, WITH THIS PURCHASE ON THE 25TH OF SOYBEANS, WHO ORDERED THAT PURCHASE?

A MR. HUNT.

Q AND WHO ORDERED THE PRICE OF THE PURCHASE?

A MR. HUNT.

Q AND WHO ORDERED THE QUANTITY?

A MR. HUNT.

Q WHO ORDERED THE SALE ON THE 29TH?

A MR. HUNT.

Q AND WHO ORDERED YOU TO SELL AT A LOSS ON THE 29TH?

A MR. HUNT.

Q DID YOU EVER TALK TO CONNIE HANSEN ABOUT THIS ACCOUNT ON THE 25TH OR THE 29TH?

A NO.

Q AFTER THE DATE THAT YOU HAD THE REGISTRATION FORM FILLED OUT BY MRS. HANSEN, DID YOU EVER TALK TO HER AGAIN?

A NO.

Q MR. NICHOLS, IN YOUR TIME IN THE COMMODITIES MARKET TRADING, HAVE YOU EVER SEEN A SITUATION LIKE THIS, WHERE THERE WAS AN ACCOUNT BOUGHT IN ONE PERSON'S NAME AND TRANSFERRED TO ANOTHER PERSON'S AME?

A I WILL SAY YES.

Q YOU HAVE SEEN IT.

A YES.

MR. COLE: NO FURTHER QUESTIONS AT THIS TIME, YOUR HONOR.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q MR. NICHOLS, YOU HAVE TESTIFIED ON DIRECT EXAMINATION THAT DURING THESE VARIOUS TRANSACTIONS, YOU ONLY TALKED TO MRS. HANSEN ON THE PHONE ONE TIME.

A THAT'S CORRECT.

Q YOU HAVE NEVER TALKED TO CONGRESSMAN HANSEN, HAVE YOU?

A NO.

Q NEVER IN YOUR LIFE HAVE YOU EVER TALKED TO CONGRESSMAN HANSEN.

A NOT UNTIL YESTERDAY, WHEN I WAS HAVING AN ICED TEA AND --

Q AND YOU MET HIM DOWNSTAIRS?

A TO SAY HELLO; THAT'S ALL.

Q BUT PRIOR TO YESTERDAY, YOU HAD NEVER TALKED TO HIM, YOU HAD NEVER SEEN HIM.

A NO. I MEAN THAT IS TOTALLY CORRECT.

Q ALL RIGHT. I JUST WANT TO GET THAT CLEAR.

AND, IN FACT, WHEN MR. HUNT, WHO YOU SAY WAS DIRECTING ALL THESE TRANSACTIONS, TALKED TO YOU, HE NEVER MENTIONED CONGRESSMAN HANSEN AT ANY POINT, DID HE?

A NOT AT ALL. I HAD NO IDEA WHO SHE WAS.

Q YOU DIDN'T KNOW THAT MRS. HANSEN WAS MARRIED TO A CONGRESSMAN, DID YOU?

A ABSOLUTELY NOT.

Q O.K. AND SO FAR AS YOU KNOW, SHE WAS JUST A LADY IN WASHINGTON WHO MR. HUNT WAS MAKING THESE ARRANGEMENTS FOR.

A THAT'S CORRECT.

Q NOW, MR. NICHOLS, IN PREPARATION FOR YOUR -- I'M SORRY. STRIKE THAT.

IN ADDITION TO NOT TALKING TO CONGRESSMAN HANSEN BEFORE YESTERDAY, YOU HAVE NEVER TALKED TO ME, HAVE YOU?

A NO.

Q YOU HAVE TALKED TO THE PROSECUTORS.

A YES.

Q YOU SAY YOU SPOKE WITH THEM SEVERAL DAYS AGO IN PREPARATION FOR THIS TESTIMONY THAT YOU ARE GIVING HERE ON THE WITNESS STAND.

A YES.

Q WHEN WAS THAT?

A I BELIEVE IT WAS MONDAY EVENING, AROUND 6:00 O'CLOCK.

Q AND YOU HAD TALKED WITH THE PROSECUTORS PRIOR TO MONDAY EVENING, AS WELL.

A YES.

Q AND ON HOW MANY OCCASIONS?

A TWICE.

Q AND IN ADDITION TO THAT, YOU TESTIFIED BEFORE THE GRAND JURY, DID YOU NOT?

A YES, I DID.

Q AND THAT WAS ANOTHER TIME WHEN THE PROSECUTORS ASKED YOU QUESTIONS, MR. WEINGARTEN AND MR. COLE?

A I BELIEVE ONLY MR. COLE.

Q ONLY MR. COLE. HE ASKED YOU QUESTIONS BEFORE THE GRAND JURY, AND YOU WERE UNDER OATH, AND YOU RESPONDED TO THOSE QUESTIONS.

A THAT'S CORRECT.

Q DO YOU RECALL WHEN IT WAS THAT YOU TESTIFIED BEFORE THE GRAND JURY?

A NO, I DO NOT.

Q IF I TOLD YOU IT WAS SEPTEMBER OF 1982, THAT'S A LIKELY TIME? YOU WOULD HAVE NO REASON TO DISAGREE WITH THAT.

A NO, I WOULD HAVE NO REASON TO DISAGREE WITH IT.

MR. LEWIN: CAN WE JUST STIPULATE TO THAT, THAT IT

WAS SEPTEMBER 16TH OF 1982?

MR. COLE: I HAVE NO PROBLEM WITH THAT STIPULATION.

THE COURT: WE HAVE A STIPULATION, LADIES AND GENTLEMEN.

MR. LEWIN: JUST PURSUANT TO PROCEDURES, WE HAVE A COPY OF THE GRAND JURY TESTIMONY WHICH WE RECEIVED PRIOR TO TRIAL. I JUST WANT YOU TO KNOW THAT, MR. NICHOLS. THAT'S WHAT THAT REFLECTS.

BY MR. LEWIN:

Q AND WERE YOU INTERVIEWED BY MR. COLE PRIOR TO YOUR GRAND JURY TESTIMONY?

A YES.

Q SO YOU SAT DOWN WITH HIM AND YOU TALKED TO HIM AND REALLY GAVE -- DISCUSSED THESE EVENTS WITH HIM BEFORE YOU WENT INTO THE GRAND JURY.

A YES.

Q WERE YOU INTERVIEWED BY ANY FBI AGENTS PRIOR TO THAT TIME?

A NO.

Q IT IS A FACT, IS IT NOT, MR. NICHOLS, THAT WITH ALL THOSE MEETINGS WITH THE PROSECUTORS, YOU HAVE REFUSED TO TALK TO THE LAWYERS FOR THE DEFENSE?

A THAT IS NOT CORRECT.

Q THAT IS NOT CORRECT?

A NOT AT ALL.

Q ISN'T IT A FACT THAT MR. CAMPBELL CALLED AND ASKED THAT WE BE PERMITTED TO INTERVIEW YOU AND WAS TOLD BY YOUR COUNSEL THAT WE WOULD NOT BE PERMITTED TO INTERVIEW YOU?

A THAT IS NOT WHAT I'VE BEEN TOLD.

Q I SEE.

IS YOUR ATTORNEY RICHARD CIECKA? IS IT C-I-E-C-K-A?

A CORRECT. PRONOUNCED CIECKA.

Q CIECKA. OF CHICAGO?

A YES.

Q AND DID MR. CIECKA TELL YOU THAT MR. CAMPBELL HAD CALLED AND ASKED TO INTERVIEW YOU?

A NO. MY OFFICE TOLD ME THAT MR. CAMPBELL HAD CALLED. I WAS OUT OF TOWN. I INSTRUCTED MY OFFICE TO CALL MY ATTORNEY, MR. CIECKA, TO GIVE HIM THAT INFORMATION.

Q AND DID MR. CIECKA THEN TELL YOU THAT HE SPOKE WITH MR. CAMPBELL?

A YES.

Q AND DID MR. CIECKA THEN TELL YOU THAT HE HAD ADVISED MR. CAMPBELL THAT THE DEFENSE WOULD NOT BE PERMITTED TO INTERVIEW YOU?

A NO.

Q WHAT DID MR. CIECKA TELL YOU?

A MR. CIECKA TOLD ME THAT HE'D SAID TO MR. CAMPBELL THAT, "YOU HAVE A COPY OF MR. NICHOLS' GRAND JURY TESTIMONY, AND IF YOU WISH TO DISCUSS WITH MR. NICHOLS OTHER ISSUES, IF

YOU WOULD SUBMIT THE SCOPE OF THOSE ISSUES IN WRITING, THAT MR. NICHOLS WOULD THEN RESPOND."

Q I SEE. IN OTHER WORDS, WHAT MR. CIECKA TOLD YOU IS THAT HE TOLD MR. CAMPBELL THAT WE WERE TO SUBMIT TO HIM ISSUES WHICH WE WANTED TO DISCUSS WITH YOU, IS THAT RIGHT?

A CORRECT.

Q AND THAT MR. CIECKA THEN TOLD MR. CAMPBELL THAT WE WOULD BE ABLE TO DISCUSS THEM WITH YOU, OR THAT YOU WOULD THEN CONSIDER WHETHER YOU WOULD DISCUSS THEM WITH US?

A I THINK I WOULD HAVE TO ANSWER WOULD THEN CONSIDER.

Q I SEE. IS IT FAIR TO SAY, MR. NICHOLS, THAT YOU WERE NOT AS FREE AND OPEN WITH DEFENSE COUNSEL, IN TERMS OF MAKING YOURSELF AVAILABLE, AS YOU WERE FREE AND OPEN WITH THE PROSECUTOR?

A I DO NOT THINK THAT IS CORRECT, BECAUSE I WAS ACTING UNDER INSTRUCTIONS OF MY ATTORNEY.

Q YOUR ATTORNEY INSTRUCTED YOU THAT YOU WERE NOT TO SPEAK TO US?

A NO.

MR. COLE: YOUR HONOR, I THINK THAT IS AN UNFAIR CHARACTERIZATION. I WOULD OBJECT TO THAT QUESTION, YOUR HONOR.

MR. LEWIN: UNDER INSTRUCTIONS --

THE COURT: WELL, HE DIDN'T SAY WHAT THOSE INSTRUCTIONS WERE, MR. LEWIN.

MR. LEWIN: ALL RIGHT. WELL, I'M ASKING HIM.

BY MR. LEWIN:

Q YOUR ATTORNEY INSTRUCTED YOU THAT YOU WERE NOT TO TALK TO US?

A NO. I JUST ANSWERED "NO" TO THAT.

Q WHAT DID YOUR ATTORNEY INSTRUCT YOU UNDER THE INSTRUCTIONS OF YOUR ATTORNEY?

A I SUPPOSE HE INSTRUCTED ME OF NOTHING. HE INFORMED ME OF WHAT HE HAD DONE.

Q AND YOU DIDN'T TELL HIM WHAT YOUR PREFERENCE WOULD BE?

A NOT AT ALL.

Q OH, I SEE. SO THIS WAS ENTIRELY THE ATTORNEY'S DECISION, AS TO WHETHER YOU SHOULD SPEAK TO US OR NOT.

A THE MANNER IN WHICH HE WOULD HAVE ALLOWED THE INTERVIEW WAS HIS PROFESSIONAL ADVICE TO ME.

Q I UNDERSTAND. BUT ULTIMATELY, YOU WERE THE ONE WHO WAS MAKING THE JUDGMENT WHETHER YOU WOULD SPEAK TO US OR NOT. ISN'T THAT TRUE?

A YES. I CONCURRED WITH MY ATTORNEY'S RECOMMENDATION.

Q ALL RIGHT. IN ANY EVENT, THE SHORT OF THE MATTER IS, MR. NICHOLS, UNTIL THIS MOMENT, WHEN I AM ASKING YOU QUESTIONS ON THE WITNESS STAND, I HAVE NOT HAD THE OPPORTUNITY TO ASK YOU ANY QUESTIONS WITH REGARD TO THIS.

A THAT IS CORRECT.

Q THANK YOU.

NOW, YOU HAVE TESTIFIED HERE WITH DEFINITENESS AND PRECISION THAT YOU DEFINITELY RECALL THAT YOU HAD ONLY ONE CONVERSATION WITH MRS. HANSEN DURING ALL OF THESE EVENTS. IS THAT CORRECT?

A CORRECT.

Q AND, IN FACT, I BELIEVE YOU TESTIFIED THAT YOU DID NOT EVEN TELL HER WHEN YOU CALLED HER EITHER SHORTLY BEFORE OR AFTER THE CLOSE OF THE MARKET ON APRIL 20TH THAT SHE HAD MADE A PROFIT ON THAT DAY.

A NO, I DID NOT TELL HER.

Q YOU DID NOT TELL HER.

A NO, SIR.

Q IN FACT, SHE HAD MADE A PROFIT ON THAT DAY.

A YES, SIR.

Q AND IN FACT, AS THE EXHIBITS BEFORE YOU INDICATE, THE RECORDS OF MITCHELL HUTCHINS SHOWED THAT CONNIE HANSEN WAS ENTITLED, AS OF THAT TIME, TO $51,000. IS THAT RIGHT? APPROXIMATELY.

A YES. THAT'S CORRECT.

Q 51,000. AND YOU DIDN'T TELL HER, "YOU ARE ENTITLED TO $51,775", DID YOU?

A THAT'S CORRECT.

Q ALL RIGHT. YOUR TESTIMONY -- LET ME DIRECT YOUR ATTENTION TO THE NEW COMMODITY ACCOUNT FORM THAT YOU HAVE THERE BEFORE YOU.

A I DO NOT HAVE IT.

Q I'M SORRY. WHAT IS THE EXHIBIT NUMBER OF IT?

THE COURT: IS THAT EXHIBIT 10?

MR. LEWIN: YES.

BY MR. LEWIN:

Q NOW, IT IS YOUR TESTIMONY THAT THAT'S THE HANDWRITING OF A MR. LYNCH ON THAT FORM?

A YES.

Q IS IT YOUR SIGNATURE AT THE BOTTOM OF THAT FORM?

A YES.

Q DID YOU SIGN THAT AFTER IT WAS FILLED IN, OR BEFORE?

A I DO NOT KNOW. I WOULD IMAGINE IT WAS AFTERWARDS. IN FACT, I'M SURE IT WAS AFTERWARDS. BUT I MEAN I CANNOT -- THERE IS NOTHING HERE THAT ALLOWS ME TO REFRESH MY MEMORY, BUT I'M POSITIVE IT WOULD HAVE BEEN AFTERWARDS.

Q YOU SIGNED -- IS THAT YOUR SIGNATURE IN TWO PLACES DOWN AT THE BOTTOM?

A YES, IT IS.

Q SO YOU SIGNED AS THE REGISTERED COMMODITY REPRESENTATIVE AND AS THE APPROVING OFFICER.

A YES, I DID.

Q AND WHAT DOES APPROVING OFFICER MEAN?

A IT'S SOMEBODY WHO HAS THE AUTHORITY TO APPROVE AN OPENING OF AN ACCOUNT REQUESTED BY A REGISTERED REPRESENTATIVE. IN THAT CASE, I HAPPENED TO FULFILL BOTH FUNCTIONS.

Q AND ONE IS TO APPROVE THAT NEW ACCOUNT BASED ON THE INFORMATION RECEIVED ON THE NEW COMMODITY ACCOUNT FORM?

A THAT'S CORRECT.

Q AND WAS THERE IN FACT, AS YOU LOOK AT EXHIBIT 10, SUFFICIENT INFORMATION THERE FOR YOU TO APPROVE THE OPENING OF THAT NEW COMMODITY ACCOUNT FORM IN THE NAME OF MRS. CONNIE HANSEN?

A IN THIS CASE, YES.

Q IN THIS CASE, YES. AND ON THE FORM? IS THAT YOUR TESTIMONY?

A IS THERE SUFFICIENT INFORMATION ON THIS FORM FOR ME TO HAVE APPROVED THE OPENING OF THIS ACCOUNT.

Q YES.

A THIS ACCOUNT, ONLY.

Q YES.

A THE ANSWER IS "YES".

Q WHAT INFORMATION ON THERE WAS SUFFICIENT TO WARRANT THE OPENING OF THAT ACCOUNT?

A SUFFICIENT DETAILS TO SEND OUT REQUIRED CONFIRMATIONS, STATEMENT OF PURCHASES, STATEMENT OF SALES.

Q I THOUGHT YOU HAD TESTIFIED YESTERDAY, MR. NICHOLS, THAT IN ORDER TO OPEN UP AN ACCOUNT, YOU REALLY HAD TO FIND OUT ABOUT AN INDIVIDUAL'S NET WORTH.

A YES. YOU CERTAINLY SHOULD.

Q DOES THAT APPEAR ON THE FORM?

A NO.

Q THERE ARE, IN FACT, MANY QUESTIONS ON THAT FORM RELATING TO THAT, ARE THERE NOT?

A ABSOLUTELY.

Q AND THEY WERE ALL BLANK.

A ABSOLUTELY. THEY ARE BLANK.

Q AND YOU SIGNED THAT FORM, NONETHELESS.

A YES.

Q THERE IS ONE ITEM DOWN AT THE BOTTOM OF THAT FORM THAT IS FILLED OUT. LET ME -- IT'S TRUE, IS IT NOT, JUST SO THAT THE JURY GETS AN IDEA OF WHAT THE FORM LOOKS LIKE, THAT THE TOP PARTS WHICH HAVE THE DATE AND THE ACCOUNT NUMBER AND THE CITIZENSHIP AND THE SOCIAL SECURITY NUMBER ARE FILLED IN, AND THE NAME AND ADDRESS AND TELEPHONE NUMBER ARE FILLED IN. THE OCCUPATION IS "HOUSEWIFE". IS CLIENT MARRIED IS "YES". AND THERE'S NO -- NOTHING IS FILLED IN UNDER SPOUSE'S NAME, EMPLOYER, OR ANYTHING LIKE THAT. AND THERE'S NOTHING THAT IS FILLED IN UNDER CUSTOMER'S NET WORTH, ANNUAL INCOME, TOTAL EQUITY, THINGS OF THAT KIND. THERE IS A "NO" UNDER "IS ACCOUNT OPERATED UNDER DISCRETIONARY AUTHORITY?" WHAT DOES THAT MEAN?

A THAT MEANS THAT I DID NOT HAVE DISCRETION TO TRADE IN THAT ACCOUNT.

Q YOU DID NOT HAVE DISCRETION TO TRADE.

A NO.

Q SO THAT MEANS THAT, WHAT? THAT ONLY THE PERSON WHO OWNS THAT ACCOUNT CAN TELL YOU WHAT TO DO WITH REGARD TO IT.

A OR AN AGENT FOR THAT PERSON.

Q MM-HM. ALL RIGHT. AND THAT'S MARKED "NO", IS THAT RIGHT, ON THE FORM?

A YES. IT INDICATES I ABSOLUTELY HAD NO DISCRETION. I COULD NOT HAVE EXECUTED AN ORDER AND PUT IT IN THIS ACCOUNT.

Q FOR THAT ACCOUNT.

DO YOU RECALL WHETHER IN FACT YOU PLACED A TELEPHONE CALL TO MRS. HANSEN?

A I KNOW THAT I DID.

Q YOU KNOW THAT YOU DID. AND YOU DID TO THAT NUMBER THAT APPEARS ON THE FORM.

A OH, I COULDN'T SAY THAT THAT WAS THE NUMBER. I CALLED A NUMBER THAT I HAD BEEN GIVEN.

Q THE NUMBER THAT APPEARS ON THE FORM IS AREA CODE 202, 225-5531. IF I TOLD YOU THAT'S THE CONGRESSMAN'S OFFICE NUMBER, IT DOESN'T REFRESH ANY RECOLLECTION?

A NO. I DO NOT KNOW WHICH NUMBER I WAS GIVEN TO CALL. I REALLY DO NOT.

Q AND YOU DON'T RECALL WHETHER WHEN YOU MADE THE CALL SOMEBODY PICKED IT UP AND SAID, "CONGRESSMAN HANSEN'S OFFICE."

A I KNOW THEY DID NOT.

Q YOU KNOW THEY DID NOT.

A ABSOLUTELY.

Q ALL RIGHT.

MR. NICHOLS, JUST TO SEPARATE OUT THESE FORMS, THESE NARROW FORMS --

THE COURT: THE EXHIBIT NUMBERS THAT YOU ARE REFERRING TO?

MR. LEWIN: I'M SORRY.

BY MR. LEWIN:

Q EXHIBIT NOS. 11-A AND 11-B ARE FORMS THAT YOU COMPLETED. THOSE ARE OFFICE FORMS, IS THAT CORRECT?

A YES. THAT'S WHERE THE TRANSACTION BEGINS, IN THE OFFICE.

Q AND THOSE ARE YOUR HANDWRITING ON THEM.

A NOT ALL OF IT.

Q I UNDERSTAND. BUT THE PART THAT SAYS 250, WHATEVER THAT IS.

A THAT'S A SYMBOL FOR JULY SOYBEANS.

Q FOR JULY SOYBEANS UNDER "SELL". UNDER "BUY", IT SAYS 250 FOR JULY SOYBEANS, 996.

A PRICE.

Q AND THEN IT SAYS "CX 987." WHAT DOES THAT "CX" MEAN?

A THAT "CX" MEANS CANCEL. IN OTHER WORDS, THE ORDER HAD BEEN PUT IN TO BUY THE SOYBEANS AT $9.87, AND, OBVIOUSLY, WE WAITED "X" PERIOD OF TIME, DID NOT GET THEM PURCHASED

THERE. THEN MR. HUNT WOULD HAVE CHANGED THE PRICE AT WHICH HE WAS WILLING TO PAY. SO, CONSEQUENTLY, WE PUT ANOTHER ORDER IN NOW TO BUY THEM AT 9.96 AND CANCEL THE PREVIOUS ORDER AT 9.87.

Q SO THERE HAD FIRST BEEN AN ORDER TO BUY THOSE AT 9.87.

A YES.

Q NOW, THESE OTHER EXHIBITS, 12-A AND 12-B, THOSE ARE DONE BY SOMEBODY ON THE FLOOR OF THE EXCHANGE?

A THAT'S CORRECT.

Q AND THERE IS A TIME STAMP ON THEM WHICH SHOWS WHEN IT IS THAT THE TRANSACTION WAS CONSUMMATED ON THE FLOOR?

A THERE SHOULD BE TWO TIME STAMPS. THERE SHOULD BE ONE WHEN IT WAS PUT INTO THE TRADING PIT, AND TWO, WHEN IT CAME OUT.

A WELL, I SEE ON EXHIBIT 12-B A STAMP ON THE FRONT WHICH APPEARS TO SAY APRIL 20TH, 1:12, AND A STAMP ON THE BACK WHICH SAYS APRIL 20TH, 1:14.

A SEE, THIS MUST THEN BE THE SELL ORDER THAT YOU'VE GOT HERE.

Q RIGHT. THE BUY ORDER HAS A STAMP ON THE FRONT, 10:17.

A O.K.

Q I CAN'T FIND ANY OTHER STAMP ON IT.

A LET'S SEE IF I CAN. NO. I DO NOT SEE ANY OTHER

STAMP, EITHER.

Q NOW, THERE ARE SIMILAR FORMS FOR THE OTHER TRANSACTIONS THAT ARE ON THAT GOVERNMENT CHART, ARE THERE NOT?

A YES.

Q FOR APRIL 22 AND -- AND JUST LET ME HAVE YOU IDENTIFY THOSE.

MR. LEWIN: DEFENDANT'S EXHIBIT 4-A, 4-B, AND 4-C.

THE DEPUTY CLERK: DEFENDANT'S EXHIBITS 4-A, 4-B AND 4-C MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBITS 4-A, 4-B AND 4-C WERE MARKED FOR IDENTIFICATION)

MR. LEWIN: AND DEFENDANT'S EXHIBITS 5-A AND 5-B.

THE DEPUTY CLERK: DEFENDANT'S EXHIBITS 5-A AND 5-B MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBITS 5-A AND 5-B WERE MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q PLACING BEFORE YOU DEFENDANT'S EXHIBITS 4-A, B AND C AND 5-A AND B, I ASK YOU WHETHER THOSE ARE THE DOCUMENTS THAT REFLECT YOUR INSTRUCTION TO BUY 20 SOYBEAN CONTRACTS ON APRIL 22 AND TO SELL 20 SOYBEAN CONTRACTS ON APRIL 22, AND WHETHER THOSE ARE THE FLOOR -- WHAT DO THEY CALL IT, FLOOR ORDERS FOR AT LEAST PART OF THAT TRANSACTION -- NOT ALL.

A NO, IT IS ONLY PART.

Q YES.

A IT IS 100 TO BUY AND 50 TO SELL.

THE COURT: I'M SORRY. THAT IS NOT CLEAR TO ME. WOULD YOU EXPLAIN WHAT THAT MEANS?

THE WITNESS: YES, YOUR HONOR. THIS, AGAIN, IS A FLOOR ORDER.

THE COURT: WOULD YOU REFER TO IT BY THE NUMBER UP THERE, THE EXHIBIT NUMBER?

THE WITNESS: DEFENDANT'S EXHIBIT 5-A.

THE COURT: ALL RIGHT.

THE WITNESS: IS A FLOOR ORDER ON THE FLOOR OF THE CHICAGO BOARD OF TRADE TO BUY 100 JULY SOYBEANS AT 10.46, AND IT SHOWS, THAT THE ORDER IS FILLED, COMPLETED.

DEFENDANT'S EXHIBIT 5-B IS AN ORDER TO SELL 50 JULY BEANS AT THE MARKET ON THE CLOSE. AND IT SHOWS 50 JULY BEANS WERE SOLD.

ONE IS AN ORDER TO BUY 100 AND ONE IS AN ORDER TO SELL 50.

BY MR. LEWIN:

Q ALL RIGHT. AND THE ORDER TO SELL 50 IS SIMPLY TO SELL WHEN THE MARKET CLOSES.

A YES. TO SELL IT ACTUALLY ON THE CLOSE.

Q AT WHATEVER PRICE YOU CAN IT FOR.

A THAT'S CORRECT.

Q AND THAT WAS THE INSTRUCTION THAT YOU GAVE ON THE

22ND.

A TO THE FLOOR.

Q TO THE FLOOR.

A YES.

Q NOT TO SELL AT A SPECIFIC PRICE, BUT JUST TO SELL IT AT THE TIME THE MARKET CLOSED.

A RIGHT.

Q ALL RIGHT. AND I WILL NOW PLACE BEFORE YOU DEFENDANT'S EXHIBITS --

THE COURT: EXCUSE ME. HAVE THESE BEEN SHOWN TO GOVERNMENT COUNSEL?

MR. LEWIN: YES. WE RECEIVED THEM FROM GOVERNMENT COUNSEL.

MR. COLE: YOUR HONOR, WE DON'T KNOW WHICH HE IS MARKING AND WHAT HE'S DOING WITH THEM BEFORE HE'S MARKING THEM.

THE COURT: ALL RIGHT. IF YOU COULD, MR. LEWIN, JUST AS GOVERNMENT COUNSEL DOES FOR YOUR TABLE, IF YOU COULD JUST SHOW QUICKLY THE ONES THAT YOU ARE HAVING THE WITNESS IDENTIFY, THAT WOULD BE HELPFUL TO ALL OF US.

MR. LEWIN: SURE. 6-A AND 6-B.

THE DEPUTY CLERK: DEFENDANT'S EHXIBITS 6-A AND 6-B MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBITS 6-A AND 6-B
WERE MARKED FOR IDENTIFICATION)

MR. LEWIN: AND 7-A AND 7-B.

THE DEPUTY CLERK: DEFENDANT'S EXHIBITS 7-A AND 7-B MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBITS 7-A AND 7-B WERE MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q I PLACE BEFORE YOU 6-A AND B AND 7-A AND B, AND I ASK YOU, MR. NICHOLS, WHETHER 6-A AND B AND 7-A AND B ARE THE OFFICE ORDERS AND FLOOR ORDERS FOR ORIGINALLY THE PURCHASE OF 40 SOYBEAN CONTRACTS ON THE 25TH AND THEN FOR THE SALE ON THE 29TH.

A YES, THEY ARE.

Q AND THOSE ORDERS AGAIN REFLECT A "CX" ON THERE, DO THEY NOT? THE FIRST BUY ORDER?

A YES.

Q AND WHAT DOES THAT MEAN? 200 SOYS AT 10.25 AND THEN THERE'S A "CX" 10.16.

A ALL RIGHT. THAT WOULD BE SIMILAR TO THE ONE WE'VE DISCUSSED WHERE AN ORDER PRIOR TO THIS DURING THAT DAY WOULD HAVE BEEN PLACED TO BUY 200,000 BUSHELS OF JULY SOYBEANS AT $10.16 PER BUSHEL. THAT WOULD THEN MEAN THAT THE MARKET HAD NOT REACHED THAT PRICE BY A CERTAIN TIME. AND A NEW ORDER WAS THEN PUT IN TO BUY 200 JULY SOYBEANS AT $10.25; CANCEL THE PREVIOUS ONE.

Q AND THE ACCOUNT NUMBER ON THAT BUY ORDER IS 13435.

A CORRECT.

Q AND THAT WAS MRS. HANSEN'S ACCOUNT NUMBER, WAS IT NOT?

A YES.

Q AND THAT MEANS THAT ON THAT DAY, ON APRIL 25, YOU HAD FIRST PUT IN AN ORDER TO BUY 40 SOYBEAN CONTRACTS AT 10.16 FOR HER ACCOUNT?

A YES. YES, IT WOULD.

Q AND THEN THAT DIDN'T WORK, SO YOU PUT IN AN ORDER TO BUY AT 10.25 FOR MRS. HANSEN'S ACCOUNT.

A YES.

Q NOW, BY THAT TIME -- MR. NICHOLS, LET ME PLACE BEFORE YOU WHAT HAVE BEEN MARKED AS GOVERNMENT EXHIBITS 9-A, 9-B, 9-C, AND 9-D, WHICH YOU HAVE PREVIOUSLY IDENTIFIED AND WHICH HAVE BEEN INTRODUCED IN EVIDENCE.

AND LET ME, BEFORE I ASK YOU ANY FURTHER QUESTIONS, MOVE INTO EVIDENCE DEFENDANT'S EXHIBITS 4-A THROUGH 7-B. 4-A, 4-B, 4-C, 5-A, 5-B, 6-A, 6-B, 7-A AND 7-B.

MR. COLE: NO OBJECTION.

THE COURT: THEY ARE ALL IN EVIDENCE, WITHOUT OBJECTION.

(DEFENDANT'S EXHIBITS 4-A, 4-B, 4-C,
5-A, 5-B, 6-A, 6-B, 7-A AND 7-B
WERE RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q NOW, DIRECTING YOUR ATTENTION TO THOSE PINK SLIPS THAT YOU HAVE THERE, WHEN ARE THEY SENT OUT TO THE CUSTOMERS?

A JUST BY MY READING FROM HERE, YOU WANT ME TO TELL YOU?

Q NO. JUST IN THE ORDINARY COURSE. YOU KNOW WHEN PEOPLE RECEIVE THOSE. ARE THEY SENT OUT THE DAY OF THE TRANSACTION?

A THEY ARE SUPPOSED TO BE. I MEAN THIS IS WHAT I WOULD TERM A BACK-OFFICE PROCEDURE, WHICH I HAVE NOTHING TO DO WITH. NORMALLY, THEY WOULD BE. I SUPPOSE ON A VERY BUSY DAY, PERHAPS THEY DON'T GET THEM ALL DONE, BUT THEY CERTAINLY SHOULD BE -- THEY ARE REQUIRED TO BE SENT OUT THE SAME DAY.

Q THEY ARE REQUIRED. SO THEY ARE SENT OUT THE SAME DAY OR THE NEXT DAY.

A OH, ABSOLUTELY.

Q SO THAT IF THEY SAY APRIL 20TH AND APRIL 22ND, THOSE FORMS WOULD BE SENT OUT ON THOSE DAYS TO THE PERSON TO WHOM THEY ARE ADDRESSED.

A YES.

Q AND IN FACT, 9-B IN EVIDENCE IS ADDRESSED TO CONNIE S. HANSEN AT 4700 - 38TH PLACE, NORTHEAST -- NORTH, ARLINGTON, VIRGINIA.

A YES.

Q AND IT REFLECTS A CURRENT ACCOUNT BALANCE THAT SHE HAS IN THE AMOUNT OF $51,365.

A CORRECT.

Q AND IT IS YOUR TESTIMONY, MR. NICHOLS, THAT AFTER THAT ACCOUNT BALANCE HAD GONE -- WAS CREDITED TO HER AND THAT NOTICE WAS SENT OUT, THAT YOU, ON APRIL 25, IN FACT INVESTED MRS. HANSEN'S MONEY.

A ON INSTRUCTIONS, YES.

Q ON INSTRUCTIONS OF?

A MR. HUNT.

Q NOT MRS. HANSEN.

A NO.

Q CAN YOU TELL ME, MR. NICHOLS, WHETHER THERE IS ANY PROVISION IN THE REGULATIONS WHICH YOU'VE DISCUSSED AND THE RULES OF THE COMMODITIES FUTURE TRADING COMMISSION THAT AUTHORIZES AN ACCOUNT REPRESENTATIVE TO TAKE MRS. HANSEN'S $51,000 AND INVEST IT AT SOMEBODY ELSE'S REQUEST?

A I WOULD SAY NORMALLY NOT.

Q YOU DID IT AT THAT TIME.

A YES.

Q AND YOU INVESTED IT ON APRIL 25 IN WHAT YOU SAID WAS A VERY RISKY BUSINESS.

A YES, I DID.

Q YOU MENTIONED MARGIN REQUIREMENTS, MR. NICHOLS.

A YES.

Q WHEN MUST SOMEONE PUT UP MARGIN FOR AN ACCOUNT?

A IT WOULD VARY, AGAIN WOULD DEPEND UPON THE OFFICE

PROCEDURES. SOME ACCOUNTS WOULD CERTAINLY BE REQUIRED -- MOST ACCOUNTS WOULD BE REQUIRED TO PUT UP MARGINS BEFORE OPENING AN ACCOUNT. AN ESTABLISHED ACCOUNT -- BY THAT I MEAN AN ACCOUNT THAT HAS BEEN TRADING FOR AT LEAST ONE-PLUS YEARS, WHERE THERE IS A HISTORY OF MEETING BUSINESS MARGIN CALLS PROPERLY, WOULD THEN -- THE GENERAL RULE IS TO RECEIVE THE MONEY BACK IN FIVE BUSINESS DAYS. THAT IS, IN THE LAST FEW YEARS IT'S PROBABLY GROWN TO PERHAPS SEVEN BUSINESS DAYS BECAUSE THE MAIL SYSTEMS ARE PERHAPS NOT AS SPEEDY AS THEY WERE. BUT I'M GOING TO SAY WITHIN SEVEN BUSINESS DAYS.

Q YOU NEVER REQUESTED ANY MARGIN OF MRS. HANSEN. JUST ANSWER THAT QUESTION, YES OR NO. I THINK YOU CAN ANSWER IT.

A DID I?

Q YES.

A NO.

Q AND THAT WAS TRUE EVEN THOUGH THERE WERE TRANSACTIONS HERE THAT TOOK MORE THAN ONE DAY.

A THAT IS CORRECT.

Q AND IS THERE SOME PROVISION POSSIBLY WHEREBY MAYBE MARGIN IS NOT REQUIRED IF A TRANSACTION -- COMMODITIES ARE BOUGHT AND SOLD WITHIN THE SAME DAY?

A YES, THAT IS PERMISSIBLE.

Q SO THAT THE APRIL 20TH TRANSACTION MIGHT HAVE BEEN DONE WITHOUT MARGIN.

A I WOULD SAY THAT I WOULD BE PRETTY SURE THERE THAT

THERE WAS NO MARGIN CALL SENT OUT.

Q AND THE APRIL 22ND -- AND IT WAS POSSIBLE THAT THERE WAS NONE REQUIRED.

A TRUE.

Q AND APRIL 22ND COULD HAVE BEEN DONE, POSSIBLY, WITHOUT A MARGIN CALL, BECAUSE IT ALL WAS BOUGHT AND SOLD ON THE SAME DAY.

A THAT'S CORRECT.

Q BUT APRIL 25TH TO APRIL 29TH COULD NOT HAVE BEEN DONE THAT WAY UNDER THE REGULATIONS.

A IT COULD NOT HAVE BEEN, AND I'M SURE IT WAS NOT. BUT -- I DON'T MEAN TO ADD HERE.

Q YOU'RE SURE IT WAS NOT?

A AM I SURE THAT IT WAS DONE?

Q ARE YOU SURE IT WAS NOT DONE WITHOUT A MARGIN CALL?

A I'M SURE A MARGIN CALL WAS ISSUED.

Q TO MRS. HANSEN?

A OH, I'M POSITIVE OF THAT.

Q AND WHAT FORM WOULD THERE BE IN WHICH THAT MARGIN CALL WOULD ISSUE?

A A MARGIN CALL FORM.

Q IT WOULD NOT BE A CALL FROM YOU, AS THE REPRESENTATIVE, TO ASK THAT SHE PROVIDE THE MARGIN?

A SEE, THAT'S WHY I ANSWERED BEFORE AND I ASKED YOU DID YOU SAY "I". I DO NOT RUN WHAT I WOULD CALL OUR MARGIN

DEPARTMENT.

Q I SEE.

A SO I DO NOT ISSUE MARGIN CALLS. OUR MARGIN DEPARTMENT CERTAINLY WOULD HAVE ISSUED OUR MARGIN CALL.

MR. LEWIN: COULD I HAVE THIS DOCUMENT MARKED AS DEFENDANT'S EXHIBIT NO. 8.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 8 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 8 WAS MARKED FOR IDENTIFICATION.

BY MR. LEWIN:

Q I PLACE BEFORE YOU DEFENDANT'S EXHIBIT NO. 8, MR. NICHOLS, AND I ASK YOU WHETHER YOU RECOGNIZE THAT DOCUMENT.

A NO, I DO NOT.

Q DO YOU RECOGNIZE THE FORM? NOT AT ALL?

A I DON'T REMEMBER EVER HAVING SEEN ONE.

Q IT'S HEADED "COMMODITY CUSTOMER REPORT", WITH A NAME.

A RIGHT.

Q AND YOU DON'T REMEMBER EVER HAVING SEEN SUCH A FORM?

A NO.

MR. LEWIN: YOUR HONOR -- WELL, MAY WE APPROACH THE BENCH? BECAUSE THAT --

THE COURT: YOU MAY. NO COMMENTS, PLEASE.

(AT THE BENCH)

THE COURT: COULD I SEE A COPY OF WHAT THE GENTLEMAN WAS LOOKING AT, SO WE CAN TALK ABOUT IT WITH SOME DEGREE OF INFORMATION? THANK YOU.

MR. LEWIN: THAT DOCUMENT --

THE COURT: WHICH IS EXHIBIT 8, DEFENDANT'S.

MR. LEWIN: EXHIBIT 8 WAS PROVIDED TO US BY THE GOVERNMENT AS A PART OF THE RECORDS OF MITCHELL HUTCHINS.

MR. COLE: THAT'S CORRECT, YOUR HONOR.

MR. LEWIN: AND IF THE WITNESS CANNOT IDENTIFY IT, I WOULD STILL LIKE TO BE ABLE TO -- SINCE WE HAVE STIPULATED TO ITS AUTHENTICITY, I WOULD LIKE TO BE ABLE TO OFFER IT IN EVIDENCE AND QUESTION THE WITNESS ABOUT IT, EVEN IF HE CANNOT IDENTIFY IT.

THE COURT: LET ME ASK YOU HOW YOU CAN QUESTION HIM ABOUT SOMETHING THAT HE HAS JUST SAID HE DOESN'T RECOGNIZE AND HAS NEVER SEEN SUCH A FORM.

MR. LEWIN: HE HAS NEVER SEEN THE FORM, BUT THERE IS A REFERENCE IN THERE IN TERMS OF PAPERS BEING SENT ON A CERTAIN DATE. I THINK I WOULD LIKE TO ASK HIM IF THAT ACCORDS WITH HIS RECOLLECTION.

THE COURT: I WOULDN'T LIKE IT OFFERED IN EVIDENCE AT THIS POINT. YOU CERTAINLY CAN HAVE HIM LOOK AT IT, SEE IF IT IS HIS HANDWRITING, SEE IF HE RECOGNIZES THE HANDWRITING, SEE IF THAT MEANS ANYTHING TO HIM THAT HE SEES HERE. BUT TO

ASK A MAN TO TESTIFY, SIR, TO SOMETHING HE SAYS HE HAS NEVER SEEN OR DOESN'T KNOW -- I MEAN WE ALL HEARD THE SAME TESTIMONY.

MR. LEWIN: I WOULD LIKE A REPRESENTATION FROM THE GOVERNMENT, THOUGH, AS TO WHAT THEY SAY THIS DOCUMENT IS WHICH THEY PROVIDED TO US.

MR. COLE: YOUR HONOR, MR. NICHOLS HAS ALREADY TESTIFIED SEVERAL TIMES THAT HE IS NOT INVOLVED WITH BACK-OFFICE PROCEDURES, AS HE CALLS THEM. MR. NICHOLS NEVER PROVIDED THE DOCUMENTS WE ARE INTRODUCING IN EVIDENCE TO US. HE IS MERELY A BROKER AND ACCOUNT EXECUTIVE. THESE ITEMS CAME FROM MITCHELL HUTCHINS, WHICH IS NOW PAINE WEBBER, PURSUANT TO A SEPARATE SUBPOENA.

WE ENTERED INTO THE STIPULATION FOR THE PURE FACT THAT WE WOULD HAVE NEEDED AN EXTRA CUSTODIAL WITNESS FOR THESE DOCUMENTS. WE NEVER REPRESENTED THAT MR. NICHOLS KNEW ANYTHING ABOUT EVERY DOCUMENT THAT CAME OUT OF MITCHELL HUTCHINS.

MR. LEWIN: ALL RIGHT.

THE COURT: WHY DON'T WE DO IT THIS WAY. IF YOU WANT TO INTRODUCE IT, CLEARLY, BRING SOMEONE ELSE FROM MITCHELL HUTCHINS, NOW CALLED --

MR. COLE: PAINE WEBBER.

THE COURT: -- PAINE WEBBER. I THINK THEY HAVE LOCAL OFFICES, DON'T THEY, IN WASHINGTON?

MR. COLE: THEY DO, YOUR HONOR. I COULD PROVIDE COUNSEL WITH THE CUSTODIAN'S NAME, IF THEY NEED IT.

MR. LEWIN: FINE.

THE COURT: THIS IS AN INAPPROPRIATE WITNESS, UNLESS HE CAN RECOGNIZE THE HANDWRITING OR GIVE YOU SOME OTHER INDICIA. WE SHOULD MOVE ALONG, IF WE CAN.

(END OF BENCH CONFERENCE)

BY MR. LEWIN:

Q MR. NICHOLS, I PLACE BEFORE YOU WHAT YOU HAD PREVIOUSLY BEEN LOOKING AT, WHICH IS MARKED AS DEFENDANT'S EXHIBIT 8 FOR IDENTIFICATION. I ASK YOU -- YOU TESTIFIED IN DIRECT EXAMINATION THAT A NEW CUSTOMER IS REQUIRED BY REGULATION TO BE SENT A -- WHAT DID YOU CALL IT? RISK FORM?

A RISK DISCLOSURE STATEMENT.

Q RISK DISCLOSURE STATEMENT. AND THAT IS PART OF THE REGULATIONS, IS IT NOT?

A YES, IT IS.

Q AND WHOSE RESPONSIBILITY IS THAT?

A IT WOULD BE, ONE, THE RESPONSIBILITY OF THE REGISTERED REPRESENTATIVE INTENDING TO OPEN THE ACCOUNT, AND TWO, THE APPROVING OFFICER OF THE ACCOUNT.

Q YOU REALLY OCCUPIED BOTH OF THOSE POSITIONS WITH REGARD TO MRS. HANSEN.

A YES, I DID.

Q DID YOU SEND HER SUCH A FORM?

A NO.

Q YOU DID NOT. IF YOU LOOK AT THE BOTTOM OF DEFENDANT'S EXHIBIT 8, IT SAYS SOMETHING ABOUT "PAPERS SENT 4/21"? DOES THAT REFRESH YOUR RECOLLECTION AS TO WHETHER ANYTHING WAS SENT TO MRS. HANSEN?

A OH, I'M SURE PAPERS WERE SENT; THEY WOULD HAVE TO BE SENT TO HER, YES.

Q SO WHAT PAPERS WERE SENT TO MRS. HANSEN?

A I DO NOT KNOW. I DO NOT HANDLE THAT AT ALL.

Q I SEE. BUT YOU DIDN'T SEND HER AN ASSIGNMENT OF RISK FORM, OR WHATEVER -- OR ACKNOWLEDGEMENT OF RISK FORM, OR WHATEVER IT IS CALLED.

A WELL, I CAN ANSWER ABSOLUTELY NOT, BUT FOR A DIFFERENT REASON.

Q ALL RIGHT. DO YOU WANT TO STATE YOUR REASON?

A THE RISK DISCLOSURE FORM WAS NOT IN -- RULES AND REGULATIONS DID NOT EXIST IN APRIL OF 1977.

Q I SEE. AND YOU DID NOT HAVE THE PRACTICE OF TELLING PEOPLE WHO WERE GOING TO BECOME YOUR CUSTOMERS ABOUT THE RISKS OF TRADING IN COMMODITIES FUTURES?

A ABSOLUTELY YES.

Q YOU DID HAVE THAT PRACTICE.

A YES.

Q THROUGH A WRITTEN FORM?

A NO.

Q JUST ORALLY.

A YES.

Q BUT YOU DID NOT TELL THAT TO MRS. HANSEN WHEN YOU CALLED AND ASKED HER HER SOCIAL SECURITY NUMBER, WITH THE ONE CONVERSATION YOU HAD WITH HER.

A NO, I DID NOT.

Q YOU HAVE TESTIFIED WITH SOME DEFINITENESS HERE, MR. NICHOLS, REGARDING THAT ONE CONVERSATION. WAS YOUR MEMORY AS CLEAR WHEN YOU TESTIFIED BEFORE THE GRAND JURY?

A PROBABLY NOT.

Q IT WAS NOT AS CLEAR.

A I WOULDN'T THINK IT WOULD BE, BECAUSE -- YOU KNOW, I'VE GONE THROUGH THIS SO MANY TIMES SINCE, THAT I PROBABLY HAVE REMEMBERED MORE. I WOULD THINK I COULD BE MORE PRECISE TODAY THAN I COULD HAVE BEEN THEN.

Q YOU COULD BE MORE PRECISE TODAY THAN YOU COULD IN SEPTEMBER OF 1982 ABOUT EVENTS THAT OCCURRED IN APRIL OF 1977, WHICH WAS, HOW MUCH? FIVE-AND-A-HALF YEARS BEFORE THE TIME YOU TESTIFIED IN THE GRAND JURY.

A YES.

Q YOU THINK SO.

A I THINK SO.

Q WHEN YOU TESTIFIED BEFORE THE GRAND JURY, DO YOU RECALL THAT YOU WERE ASKED --

MR. COLE: YOUR HONOR, IF HE COULD REFER US TO A

PAGE NUMBER.

THE COURT: PAGE, PLEASE.

MR. LEWIN: YES, I WILL.

THE COURT: IS THERE AN ADDITIONAL COPY, COUNSEL?

MR. COLE: I CAN PROBABLY LOCATE ONE, YOUR HONOR.

THE COURT: IF YOU DON'T HAVE IT, FINE. I CAN LISTEN.

THANK YOU. IT'S EASIER TO FOLLOW. WHAT PAGE?

MR. LEWIN: THE BOTTOM OF PAGE 8.

BY MR. LEWIN:

Q THE FIRST QUESTION ABOUT CAME INTO CONTACT WITH CONNIE HANSEN, YOU WERE ASKED AT THE BOTTOM OF PAGE 8: "COULD YOU TELL US HOW YOU FIRST CAME INTO CONTACT WITH CONNIE HANSEN? HOW DID YOU FIRST KNOW WHO SHE WAS OR CONTACT HER OR TALK TO HER?

"ANSWER: MR. NELSON BUNKER HUNT INSTRUCTED ME TO TRADE SOME SOYBEANS FOR MRS. HANSEN, AND I TELEPHONED MRS. HANSEN AT A NUMBER SUPPLIED BY MR. HUNT TO OBTAIN THE DETAILS: CORRECT NAME, ADDRESS, SOCIAL SECURITY NUMBER, THE DETAILS THAT WOULD BE NECESSARY TO OPEN A COMMODITY ACCOUNT."

YOU TESTIFIED TO THAT EFFECT.

A YES.

Q NOW, YOU TESTIFIED, THEN, THAT MR. HUNT HAD INSTRUCTED YOU TO TRADE SOME SOYBEANS FOR MRS. HANSEN.

A YES.

Q AND YOUR REFERENCE THEN WAS ONLY TO THE SALE OF

THE SOYBEANS? IS THAT WHAT YOU ARE SAYING?

A NO.

Q WELL, HOW DID YOU FIRST -- YOU WERE ASKED HOW DID YOU FIRST KNOW WHO SHE WAS OR CONTACT HER OR TALK TO HER, AND YOU SAID, "MR. BUNKER HUNT INSTRUCTED ME TO TRADE SOME SOYBEANS FOR MRS. HANSEN."

A WHICH HE DID.

Q AND YOUR REFERENCE THEN WAS THAT HE INSTRUCTED YOU TO TRADE FOR HER ONLY AFTER HE HAD INSTRUCTED YOU TO PURCHASE THOSE SAME SOYBEANS FOR HIM. IS THAT WHAT YOU ARE SAYING?

A I'M SAYING -- YES, SIR. THAT'S CORRECT.

Q YOU TESTIFIED HERE, MR. NICHOLS, WITH --

THE COURT: ARE YOU SAYING TODAY, "HERE"?

MR. LEWIN: YES, TODAY. I'M SORRY.

BY MR. LEWIN:

Q -- TODAY, THAT THE TIME THAT YOU SPOKE TO -- THE TIME THAT MR. HUNT INSTRUCTED YOU TO TAKE THAT ORIGINAL PURCHASE ON APRIL 20TH AND PLACE IT INTO MRS. HANSEN'S ACCOUNT FOR SALE PURPOSES, YOU SAID, WAS, WHAT? BETWEEN 1:00 AND 1:30 CHICAGO TIME?

A YES.

Q DO YOU RECALL THAT WHEN YOU TESTIFIED BEFORE THE GRAND JURY AND YOU WERE ASKED AS TO WHEN IT WAS THAT --

MR. COLE: YOUR HONOR, COULD WE HAVE A PAGE NUMBER?

MR. LEWIN: YES. PAGES 16 AND 17 OF THE GRAND JURY

TESTIMONY.

BY MR. LEWIN:

Q YOU WERE ASKED ON PAGE 16 WITH REGARD TO MRS. HANSEN: "WOULD YOU HAVE OBTAINED AN ACCOUNT NUMBER FOR HER PRIOR TO SPEAKING TO HER?"

"I'M SURE THAT I DID, YES. I WOULD HAVE HAD TO HAVE DONE SO."

TO OBTAIN AN ACCOUNT NUMBER, THAT WOULD HAVE BEEN AFTER YOU TALKED TO MR. HUNT, IS THAT RIGHT?

A YES.

Q ALL RIGHT. "DO YOU RECALL AT THIS TIME WHAT TIME OF DAY YOU OBTAINED THOSE ACCOUNT NUMBERS FOR HER?

"ANSWER: I DO NOT RECALL IT, AND IT IS IMPOSSIBLE TO RECONSTRUCT IT FROM THE FORMS THAT WE HAVE. BUT SINCE THE INITIAL ORDER TO PURCHASE WAS PUT DOWN TO THE FLOOR AT 10:18 A.M. AND WAS ACTUALLY RETURNED FROM THE FLOOR AT 11:24 A.M. AND THAT THE SELL ORDER WITH MRS. HANSEN'S NUMBER ON IT WAS PUT DOWN ON THE SAME DAY 1:13, IT HAD TO BE SOMETIME -- AGAIN I AM SORRY. YOUR QUESTION WAS WHAT TIME FRAME DID I CALL MRS. HANSEN, WASN'T IT?"

MR. COLE SAID: "NO. MY QUESTION WAS, WHAT TIME FRAME DID YOU OBTAIN THE ACCOUNT NUMBER FROM MRS. HANSEN?

"ANSWER: O.K."

"OR HAVE THE ACCOUNT NUMBERS CHANGED ON THESE FORMS."

"ANSWER: O.K.. THEN I'M ANSWERING IT THE CORRECT

WAY. I HAD TO OBTAIN THE NEW ACCOUNT NUMBER SOMETIME PRIOR TO 1:13. AND SINCE THE GRAIN MARKET CLOSES AT 1:15, THAT PERIOD OF AT LEAST THE LAST 15 MINUTES WOULD BE EXTREMELY BUSY FOR ME. SO, THEREFORE, I WOULD SAY THAT I HAD TO HAVE OBTAINED IT SOMETIME FROM, SAY, THE 11:30 TO 1:00 O'CLOCK TIME PERIOD."

IS THAT WHAT YOU TESTIFIED IN THE GRAND JURY?

A YES.

Q ALL RIGHT. SO YOU OBTAINED THE NUMBER, YOU TESTIFIED IN THE GRAND JURY, SOMETIME BETWEEN 11:30 AND 1:00.

A YES.

Q AND YOU OBTAINED THE NUMBER AFTER YOU SPOKE TO MR. HUNT, ACCORDING TO YOUR TESTIMONY.

A YES.

Q AND YOU SAY YOUR RECOLLECTION IS BETTER TODAY THAN IT WAS IN SEPTEMBER OF 1982 AS TO WHEN MR. HUNT SPOKE TO YOU?

A I WOULD HAVE SPOKEN TO HIM SEVERAL TIMES THAT DAY.

THE COURT: EXCUSE ME. COUNSEL, CAN I SEE YOU AT THE BENCH FOR A MOMENT, PLEASE.

(AT THE BENCH)

THE COURT: I BELIEVE THE NEXT QUESTION AND ANSWER IS MORE COMPLETE. THERE MAY BE MORE TO IT, I DON'T KNOW, BUT ON THAT VERY PAGE.

MR. LEWIN: NO, HE SAYS IT LOOKS LESS LIKELY. I AM READY TO READ THE NEXT QUESTION AND ANSWER.

THE COURT: HE DOES GO ON, "IS IT POSSIBLE" -- I JUST WANTED TO AVOID --

MR. LEWIN: SURE. IN FACT, I DON'T THINK IT IS POSSIBLE THAT IT WAS AFTER THE CLOSE OF TRADING.

THE COURT: I KNOW. I'M JUST SAYING WHAT THE WITNESS SAID. I HAVE NO IDEA.

MR. LEWIN: O.K., FINE. I AM READY TO EXPLORE THAT, IF YOUR HONOR WANTS ME TO EXPLORE IT, SURE.

THE COURT: I JUST THINK IN FAIRNESS. I HAVE NO IDEA ABOUT THE REST OF THIS. THIS IS THE FIRST TIME I AM SEEING IT. BUT I THINK IN FAIRNESS, COUNSEL.

MR. LEWIN: ALL RIGHT.

(END OF BENCH CONFERENCE)

THE COURT: MR. LEWIN IS GOING TO READ YOU THE NEXT QUESTION AND ANSWER.

BY MR. LEWIN:

Q YOU WERE ASKED IN THE GRAND JURY, MR. NICHOLS: "IS IT POSSIBLE, HOWEVER, THAT IT COULD HAVE BEEN OBTAINED AFTER THE CLOSE OF TRADING AND THE NUMBERS FILLED IN ONCE THE MARKET HAD CLOSED?

"ANSWER: IT IS POSSIBLE, BUT IN LOOKING -- IT IS POSSIBLE, YES. BUT LOOKING AT THE TICKETS, IT LOOKS LESS LIKELY."

IS IT POSSIBLE THAT IT HAPPENED--AS YOU SIT HERE TODAY, IS IT POSSIBLE THAT THAT HAPPENED AFTER THE CLOSE OF

TRADING?

A COULD I LOOK AT THAT APRIL -- THE FIRST TRANSACTION, I WOULD LIKE TO LOOK AT THE ORDER FORM.

THE COURT: PURCHASE OR SALE?

THE WITNESS: THE SALE, YOUR HONOR.

THE COURT: THE FIRST SALE TRANSACTION.

MR. LEWIN: I THINK YOU HAVE IT THERE.

THE WITNESS: O.K. I WOULD LIKE TO LOOK AT THE FLOOR ORDER AND THE UPSTAIRS ORDER.

MR. COLE: YOUR HONOR, I BELIEVE THOSE ARE 11-B AND 12-B.

THE COURT: ALL RIGHT. DOES THE WITNESS HAVE THEM? 11 AND 12, A AND B?

THE WITNESS: NO, YOUR HONOR. I AM LOOKING AT 11-B AND 12-B, WHICH IS THE FLOOR AND THE OFFICE ORDER FOR THE SALE.

THE COURT: IS THAT WHAT YOU NEED TO LOOK AT?

THE WITNESS: YES.

THE COURT: FINE.

THE WITNESS: MR. LEWIN, NOW WOULD YOU ASK ME YOUR QUESTION?

BY MR. LEWIN:

Q YES. IS IT IN FACT POSSIBLE THAT THAT NUMBER WAS OBTAINED AFTER THE CLOSE OF TRADING?

A NO, BECAUSE THE ORDER IS TIME-STAMPED ON THE FLOOR

AS GOING IN AT 1:13, COMING BACK OUT AT 1:15. THE NUMBER IS ON THE OFFICE ORDER; THE NUMBER IS ALSO ON THE FLOOR ORDER. THEREFORE, THAT WOULD TELL ME THAT THIS NUMBER WAS OBTAINED PRIOR TO 1:13.

Q AND ACCORDING TO YOUR GRAND JURY TESTIMONY, YOUR ESTIMATE THEN WAS THAT IT WAS OBTAINED SOMETIME BETWEEN 11:30 AND 1:00. I HAVE JUST READ YOU YOUR GRAND JURY TESTIMONY.

A YES. THE REASON, OBVIOUSLY, I WOULD HAVE TESTIFIED THAT IS THAT THE PURCHASE CAME OUT AT 11:24. SO WHATEVER TIME IT WAS THAT MR. HUNT TOLD ME TO SELL THESE AND PUT THEM IN A DIFFERENT ACCOUNT WAS THE TIME I WOULD HAVE INSTRUCTED ONE OF MY ASSISTANTS TO GET AN ACCOUNT NUMBER.

Q SO, REALLY, WHAT YOU ARE DOING IS YOU'VE CONSTRUCTED THAT FROM THE DOCUMENTS. YOU'VE SAID THE DOCUMENT SHOWS THE PURCHASE WAS AT 11:30 --

A ALL RIGHT.

Q YOU DON'T HAVE AN INDEPENDENT RECOLLECTION OF THAT.

A NO. I COULD NOT POSSIBLY.

Q AND, INDEED, WHEN YOU TESTIFIED HERE IN ANSWER TO MR. COLE'S QUESTION ABOUT THE CHANGE OF NUMBER, YOU SAID, "MR. HUNT SO INSTRUCTED ME TO CHANGE THE NUMBER." DO YOU HAVE AN INDEPENDENT RECOLLECTION OF A CONVERSATION WITH MR. HUNT THAT THE NUMBER WAS CHANGED?

A NO, SIR.

Q YOU DON'T. IN FACT, IN THE GRAND JURY, WHEN YOU WERE ASKED THE QUESTION, "DO YOU RECALL MR. HUNT INSTRUCTING YOU TO CHANGE THE ACCOUNT NUMBER" --

THE COURT: EXCUSE ME. THE SAME PAGE. RIGHT.

MR. LEWIN: YES, SAME PAGE.

BY MR. LEWIN:

Q YOU SAID, "I DIDN'T RECALL THAT UNTIL THIS MORNING, WHICH IS THE FIRST TIME THAT I HAVE SEEN THESE ORDERS OF FIVE-AND-A-HALF YEARS AGO."

SO YOU DON'T RECALL MR. HUNT TELLING YOU THAT SPECIFICALLY.

A OF TELLING ME TO CHANGE THE ACCOUNT NUMBER?

Q TO CHANGE THE NUMBER.

A NO, BUT I DO RECALL MR. HUNT TELLING ME TO TAKE IT FROM HIS ACCOUNT AND PUT IT IN ANOTHER ACCOUNT.

Q YOU DO RECALL HIM SAYING, "TAKE IT FROM MY ACCOUNT AND PUT IT IN ANOTHER ACCOUNT"?

A YES. I COULD NOT POSSIBLY DO THAT BY MYSELF.

Q I UNDERSTAND. BUT THE QUESTION IS, WITH REGARD -- ONE MINUTE. YOU SAY YOU COULD NOT POSSIBLY DO THAT BY YOURSELF. IT'S SOMETHING WHICH YOU SAY YOU WOULD NOT DO IF MR. HUNT HAD NOT TOLD YOU TO DO IT.

A THAT'S CORRECT.

Q YOU DON'T HAVE AN INDEPENDENT RECOLLECTION THAT MR. HUNT TOLD YOU. YOU ARE JUST ASSUMING, "I WOULDN'T DO IT

IF HE HADN'T TOLD IT TO ME."

A CORRECT.

Q THANK YOU.

IN FACT, MR. NICHOLS, WITH REGARD TO ALL THOSE EVENTS OF APRIL 20TH, 22ND, 25TH, 29TH, AND THAT ENTIRE PERIOD OF TIME, WASN'T IT ENTIRELY CLEAR DURING YOUR APPEARANCE BEFORE THE GRAND JURY THAT YOU REALLY HAD ONLY THE MOST FUZZY RECOLLECTION -- INDEPENDENT RECOLLECTION OF WHAT HAPPENED IN THOSE DAYS?

A YES.

Q AND REPEATEDLY, WHEN MR. COLE ASKED YOU, YOU SAID, "I CAN'T RECALL, I'VE GOT TO LOOK AT THE RECORDS"?

A YES.

Q O.K. AND LET ME ASK YOU AGAIN WITH REGARD TO YOUR STATEMENT THAT YOU ONLY SPOKE WITH MRS. HANSEN ONCE DURING THIS ENTIRE PERIOD. YOU SAID -- I'M SORRY. LET ME JUST FIND THE PAGE NUMBER. PAGE 13.

"QUESTION: OTHER THAN THE FIRST TIME YOU CALLED CONNIE HANSEN ON THE 20TH OF APRIL TO GET THE BASIC PERSONAL INFORMATION FROM HER, DID YOU EVER SPEAK TO HER AGAIN?"

AND YOUR ANSWER WAS: "I AM ALMOST TOTALLY POSITIVE I HAD NEVER SPOKEN TO HER AGAIN. I DON'T BELIEVE I EVER DID."

THAT'S A LITTLE LESS CERTAIN THAN YOU WERE ON THE WITNESS STAND TODAY, ISN'T IT?

A PERHAPS A LITTLE LESS. I DID START TO ANSWER THIS

MORNING THAT I AM 90 PERCENT SURE, WHICH WOULD BE THE SAME ANSWER THERE. BUT --

Q I THOUGHT THE FIGURE WAS 99 PERCENT THIS MORNING.

A OH, WAS IT? IN THINKING IT THROUGH, I'M REALLY POSITIVE.

Q YOU'RE REALLY POSITIVE?

A YES, I REALLY -- I REALLY AM.

Q LET ME ASK YOU, MR. NICHOLS --

THE COURT: HE'S ANSWERING. HAVE YOU FINISHED YOUR ANSWER?

THE WITNESS: YES. TO THAT ONE QUESTION, YES.

BY MR. LEWIN:

Q LET ME ASK YOU, MR. NICHOLS, APRIL 25 YOU TAKE $51,000 WHICH IS SITTING IN MRS. HANSEN'S ACCOUNT AND TO WHICH FORMS HAVE BEEN SENT OUT TO HER SAYING IT'S HER MONEY, AND IT IS YOUR TESTIMONY THAT SIMPLY ON THE WORD OF BUNKER HUNT, YOU PURCHASED 40 SOYBEAN CONTRACTS WITHOUT EVER TELLING MRS. HANSEN ABOUT IT?

A YES.

Q AND IT'S YOUR TESTIMONY THAT YOU DON'T TALK TO HER ON THE 25TH AND YOU DON'T TALK TO HER ON THE 26TH.

A YES.

Q DO YOU REMEMBER WHAT DAY OF THE WEEK THE 25TH WAS?

A NO.

Q LET ME TELL YOU, IT WAS A MONDAY. SO THE OPENING

OF TRADING ON MONDAY MORNING, APRIL 25TH, 1977, YOU ARE INVESTING THIS LADY'S MONEY IN A VERY FLUCTUATING, RISKY BUSINESS, AND YOU DON'T TALK TO HER AT ANY POINT TELLING HER THAT OR CHECKING THAT WITH HER. IS THAT YOUR TESTIMONY?

A THAT IS CORRECT.

Q AND YOU DON'T TALK TO HER ON TUESDAY, THE 26TH.

A NO, SIR.

Q AND YOU DON'T TALK TO HER ON WEDNESDAY, THE 27TH.

A NO, SIR.

Q AND YOU DON'T TALK TO HER ON THURSDAY, THE 28TH.

A NO, SIR.

Q AND YOU DON'T TALK TO HER ON FRIDAY, THE 29TH?

A NO, SIR.

Q AND YOU SELL IT ALL OUT ON FRIDAY NIGHT, THE 29TH, LEAVING HER WITH A $30,000 LIABILITY, WITHOUT ONCE CALLING HER TO TELL HER ABOUT IT.

A YES, SIR.

Q AND THAT'S YOUR TESTIMONY HERE TODAY UNDER OATH, THAT THAT'S YOUR RECOLLECTION.

A ABSOLUTELY, SIR.

THE COURT: REDIRECT?

MR. LEWIN: ONE MOMENT, PLEASE, YOUR HONOR.

MR. LEWIN: ANYTHING FURTHER, MR. LEWIN? REDIRECT, THEN.

REDIRECT EXAMINATION

BY MR. COLE:

Q MR. NICHOLS, JUST ONE OR TWO VERY BRIEF QUESTIONS. YOU TESTIFIED THAT YOU DON'T HAVE A RECOLLECTION OF BUNKER HUNT TELLING YOU TO CHANGE THE ACCOUNT NUMBER.

A THAT'S CORRECT.

Q DID MR. HUNT TELL YOU TO PUT THE CONTRACTS IN MRS. HANSEN'S ACCOUNT?

A YES, SIR.

Q WOULD IT MERELY BE THE MECHANICS, THEN, TO CHANGE THE NUMBER?

A YES, SIR.

Q AND, OF COURSE, MR. HUNT WOULDN'T BE CONCERNED WITH MECHANICS, WOULD HE?

A NOT AT ALL.

Q DO YOU RECALL MR. HUNT TELLING YOU TO SELL THE CONTRACTS IN MRS. HANSEN'S ACCOUNT FOR MRS. HANSEN?

A O.K. I'M TRYING TO BE VERY SPECIFIC. NO, I DO NOT RECALL THAT HE -- WHEN HE GAVE ME THE ORDER TO SELL THEM, WHICH WAS VERY, VERY CLOSE TO THE CLOSE. IT WOULD APPEAR, AS I TESTIFIED A FEW MINUTES AGO, THAT THE ACCOUNT NUMBER HAD BEEN RECEIVED AND THAT THE ORDER WAS PLACED RIGHT AWAY IN MRS. HANSEN'S NEW ACCOUNT AND ACCOUNT NUMBER.

Q MR. NICHOLS, IS THERE ANY WAY THESE CONTRACTS COULD HAVE BEEN SOLD FOR MRS. HANSEN'S ACCOUNT AFTER HAVING BEEN

PURCHASED FROM MR. HUNT'S ACCOUNT WITHOUT SPECIFIC INSTRUCTIONS FROM MR. HUNT?

A NO, SIR.

Q MR. NICHOLS, YOU TESTIFIED THAT YOU NEVER TOLD MRS. HANSEN ABOUT THE RISKS THAT WERE INVOLVED IN THE COMMODITIES MARKET. WHY DIDN'T YOU TELL HER ABOUT THEM?

A SIMPLY, I WAS ACTING UNDER INSTRUCTIONS TO DO WHAT I DID FROM MR. HUNT. AND I FELT THAT NOTHING ELSE OTHER THAN TO DO WHAT HE INSTRUCTED ME TO DO -- NOTHING ELSE WAS OF MY BUSINESS WHATSOEVER.

Q YOU ALSO TESTIFIED ON CROSS-EXAMINATION THAT YOU NEVER LOOKED INTO THE NET WORTH OF MRS. HANSEN; IS THAT CORRECT?

A THAT IS CORRECT.

Q WHY DIDN'T YOU LOOK INTO HER NET WORTH?

A BECAUSE MR. HUNT, A MAJOR CLIENT OF MINE, WAS GIVING ME THE ORDERS.

Q AND WHO DID YOU THINK WOULD MAKE GOOD IF THERE WAS A LOSS HERE?

A MR. HUNT.

Q YOU ALSO TESTIFIED, I BELIEVE MR. LEWIN SAID, THERE WASN'T SUFFICIENT INFORMATION ON THE FORMS TO OPEN THE ACCOUNT?

A I RECALL THE QUESTION, AND I RECALL MY ANSWER WAS THIS ACCOUNT, ONLY.

Q WHY DID YOU OPEN IT WITHOUT MORE INFORMATION?

A BECAUSE IT WAS AN ACCOUNT -- I WILL NOW USE THE WORD -- IN MY THINKING WAS GUARANTEED BY MR. HUNT.

Q AND WHOSE ACCOUNT WERE THESE CONTRACTS PURCHASED FOR?

A ORIGINALLY?

Q YES.

A IN MR. HUNT'S ACCOUNT.

Q AND WHO GAVE YOU ALL INSTRUCTIONS HAVING TO DO WITH ALL PROCEDURES AND ALL TRANSACTIONS IN THIS ACCOUNT FROM THE 20TH OF APRIL TO THE 29TH OF APRIL?

A MR. HUNT.

MR. COLE: THANK YOU, SIR.

THE COURT: ANYTHING FURTHER?

RECROSS EXAMINATION

BY MR. LEWIN:

Q MR. NICHOLS, YOU SAID THAT THIS AMOUNT WAS GUARANTEED BY MR. HUNT? DID HE EVER SAY HE WAS GOING TO GUARANTEE ANYTHING ON THIS?

A NO, SIR.

Q SO IT WAS JUST SOMETHING THAT YOU HAD ASSUMED THAT HE WAS GOING TO GUARANTEE.

A I THOUGHT I TESTIFIED THAT IN MY MIND, I CONSIDERED IT A GUARANTEED ACCOUNT.

Q BUT, IN FACT, HAVE YOU SINCE DISCOVERED THAT IN FACT, IN ORDER TO MAKE UP THAT LOSS ON APRIL 29TH, MRS. HANSEN

HAD TO GO AND TAKE OUT A LOAN?

A I HAVE SINCE DISCOVERED THAT, YES.

Q YOU'VE SINCE DISCOVERED THAT. AND IS THERE ANY PROVISION IN THE REGULATIONS OF THE COMMODITY FUTURES TRADING COMMISSION WHICH AUTHORIZES A SALES REPRESENTATIVE TO TAKE CUSTOMER "A'S" ACCOUNT AND TRADE IT AT THE INSTRUCTIONS OF CUSTOMER "B"?

A IT WOULD BE VERY UNLIKELY.

Q AS A MATTER OF FACT, IT WOULD PROBABLY BE A BASIS FOR SANCTION, WOULDN'T IT, MR. NICHOLS?

A IF IT WERE -- I DON'T BELIEVE IT WOULD BE IF IT WERE DONE WITH THE KNOWLEDGE OF BOTH PARTIES.

Q DID YOU HAVE ANY REASON TO THINK THAT MRS. HANSEN, FROM YOUR CONVERSATION WITH HER, HAD KNOWLEDGE, ACCORDING TO YOUR TESTIMONY?

A NO, I DO NOT BELIEVE SHE DID.

Q NO. SO YOU WERE DOING IT, THEN, WITHOUT MRS. HANSEN'S KNOWLEDGE, BUT TRADING HER MONEY AND LEAVING HER WITH A $33,000 LIABILITY.

A I DID NOT KNOW ONE WAY OR THE OTHER WHETHER SHE KNEW OR NOT. ALL I TESTIFIED TO IS I DID NOT TELL HER. NOW, WHETHER MR. HUNT TOLD HER OR NOT, I WOULD NOT KNOW.

MR. COLE: NO FURTHER QUESTIONS, YOUR HONOR. WE ASK THE WITNESS BE EXCUSED.

THE COURT: ALL RIGHT, MR. NICHOLS. YOU ARE EXCUSED.

THANK YOU FOR YOUR TESTIMONY. I ASK ONLY THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED.

HAVE A GOOD DAY.

THE WITNESS: THANK YOU, YOUR HONOR.

THE COURT: ALL RIGHT. WOULD COUNSEL LIKE BACK THE COPY OF THE INFORMATION THAT THEY KINDLY GAVE THE COURT.

NEXT WITNESS. WE WILL BEGIN, OF COURSE, AND THEN GO FOR ABOUT 20, 25 MINUTES, AND TAKE A LUNCHEON BREAK.

MR. COLE: YOUR HONOR, GOVERNMENT CALLS SAM HENRY.

SAMUEL PATRICK HENRY

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING, MR. HENRY.

THE WITNESS: GOOD MORNING, YOUR HONOR.

DIRECT EXAMINATION

BY MR. COLE:

Q MR. HENRY, WOULD YOU PLEASE STATE YOUR FULL NAME, AND SPELL YOUR LAST NAME, FOR THE RECORD?

A SAMUEL PATRICK HENRY, H-E-N-R-Y.

MR. COLE: YOUR HONOR, AT THIS TIME, AS WITH THE LAST WITNESS, COUNSEL IS LOOKING THROUGH SOME DOCUMENTS AND PREPARING TO SIGN A STIPULATION AS AGREED TO, AND I WOULD LIKE TO PUBLISH THAT TO THE JURY.

THE COURT: ALL RIGHT. FINE. AS SOON AS IT IS

DONE.

MR. COLE: WHILE THAT IS GOING ON, YOUR HONOR --

BY MR. COLE:

Q MR. HENRY, HOW ARE YOU EMPLOYED, SIR?

A I AM CURRENTLY A SENIOR VICE PRESIDENT AT THE INTERFIRST BANK, PARK CITIES, IN DALLAS, TEXAS.

Q HOW LONG HAVE YOU BEEN WITH INTERFIRST BANK?

A I'VE BEEN IN MY CURRENT LOCATION SINCE SEPTEMBER OF 1980.

Q PRIOR TO THAT, WHERE WERE YOU, SIR?

A PRIOR TO THAT, I WAS VICE PRESIDENT WITH THE FIRST NATIONAL BANK IN DALLAS, FROM 1971 UNTIL TAKING MY CURRENT POSITION IN 1980.

Q IN THE COURSE OF YOUR POSITION WITH THE FIRST NATIONAL BANK IN DALLAS, I WOULD LIKE TO DRAW YOUR ATTENTION TO THE YEAR 1977. WHERE WERE YOU ASSIGNED IN THAT BANK IN 1977?

A I WAS ASSIGNED AS AN ACCOUNT RELATION OFFICER IN THE ENERGY DIVISION, THE OIL AND GAS AREA OF THE BANK.

Q AND IN YOUR DUTIES AS ACCOUNT RELATION PERSON, WHAT WOULD YOU DO?

A I WOULD MONITOR AND WORK WITH VARIOUS LOCAL DALLAS ACCOUNTS, AS WELL AS HAVING RESPONSIBILITY FOR TRAVELING THE NORTHEAST PART OF THE UNITED STATES.

Q WAS ONE OF YOUR ACCOUNTS THAT OF NELSON BUNKER HUNT?

A YES, IT WAS.

MR. COLE: YOUR HONOR, AT THIS TIME I WOULD LIKE TO PUBLISH A STIPULATION TO THE JURY, STIPULATION NO. 4:

"IT IS HEREBY AGREED AND STIPULATED BETWEEN THE UNITED STATES AND THE DEFENDANT, GEORGE V. HANSEN, THAT THE ATTACHED BANK RECORDS FROM FIRST NATIONAL BANK IN DALLAS ARE AUTHENTIC."

ATTACHED TO THIS STIPULATION ARE A LOAN APPLICATION DATED MAY 27, 1977, FOR THE ACCOUNT OF CONNIE HANSEN, A $50,000 CHECK DATED MAY 27, 1977, MADE PAYABLE TO CONNIE HANSEN; A MEMORANDUM DATED JANUARY 4, 1978, FROM SAM HENRY TO THE LOAN REVIEW DEPARTMENT CONCERNING CONNIE HANSEN; A LOAN APPLICATION DATED NOVEMBER 28, 1978, CONNIE HANSEN AGAIN. A NOTE DATED MAY 26, 1978, FROM CONNIE HANSEN TO THE FIRST NATIONAL BANK IN DALLAS, FOR $50,000.

A LETTER FROM SAM HENRY TO THE HONORABLE AND MRS. GEORGE HANSEN, DATED MARCH 18TH, 1980.

MEMORANDUM FROM SAM HENRY TO THE U. S. - CANADA ENERGY GROUP CREDIT REVIEW COMMITTEE, DATED JUNE 4, 1980, CONCERNING THE CONNIE HANSEN ACCOUNT.

AND A TWO-PAGE LEDGER SHEET FROM THE FIRST NATIONAL BANK IN DALLAS COVERING THE PERIOD MAY 27TH, 1977, TO JUNE 3RD, 1980, CONCERNING THE ACCOUNT OF CONNIE HANSEN.

THE COURT: ALL RIGHT, LADIES AND GENTLEMEN. AGAIN A STIPULATION HAS BEEN REACHED, AN AGREED-UPON STATEMENT

BETWEEN COUNSEL, THAT YOU MAY CONSIDER THOSE MATTERS REFERRED TO BY COUNSEL AS UNDISPUTED EVIDENCE.

BY MR. COLE:

Q MR. HENRY, I WOULD LIKE TO DRAW YOUR ATTENTION TO MAY 27TH, 1977. WERE YOU WORKING AT THE FIRST NATIONAL BANK OF DALLAS IN THAT PERIOD OF TIME?

A YES, I WAS.

Q MR. HENRY, I WOULD LIKE TO SHOW YOU WHAT HAS ALREADY BEEN ADMITTED IN EVIDENCE AS GOVERNMENT'S EXHIBIT 14 AND 15 AND ASK YOU TO LOOK AT THOSE TWO PIECES AND TELL ME IF YOU KNOW WHAT THEY ARE.

A EXHIBIT 14 IS A COPY OF THE ORIGINAL MAY 27, 1977, PROMISSORY NOTE FOR $50,000, WHICH WAS -- A LOAN WAS GRANTED TO CONNIE S. HANSEN.

Q EXHIBIT 15, IS THAT THE GUARANTEE FOR THAT LOAN?

A YES. EXHIBIT 15 IS THE GUARANTEE EXECUTED BY MR. HUNT.

Q MR. HENRY, WERE YOU INVOLVED WITH THIS LOAN?

A YES. I MADE THE LOAN.

Q YOU WERE THE OFFICER WHO GRANTED IT.

A YES.

Q HOW WERE YOU FIRST CONTACTED ABOUT IT?

A I RECEIVED A TELEPHONE CALL FROM A MR. JOHN GOODSON.

Q WHO IS MR. GOODSON, IF I MAY ASK?

A MR. GOODSON IS NOW RETIRED, BUT HE WAS THEN, EFFECTIVELY, THE CHIEF FINANCIAL OFFICER AND CHIEF CONTACT THAT WE HAD ON THE HUNT RELATIONSHIP. HE WOULD MAKE CONTACT WITH US CONCERNING VARIOUS LOAN AND DEPOSIT RELATIONSHIPS.

Q WHAT WAS THE PURPOSE OF MR. GOODSON'S CALL THAT DAY? DO YOU RECALL THE DATE THAT HE CALLED?

A IT WAS MAY 27TH, 1977.

Q WHAT WAS THE PURPOSE OF MR. GOODSON'S CALL?

A HE CALLED AND INDICATED THAT MR. HUNT HAD REQUESTED THAT THE BANK MAKE A LOAN TO MRS. HANSEN WHICH HE WOULD GUARANTEE. AND MR. GOODSON WANTED TO KNOW IF HE COULD BRING MRS. HANSEN DOWN AND WE COULD GRANT THAT LOAN.

Q AND YOUR RESPONSE?

A WAS "YES".

A DID MRS. HANSEN COME DOWN THAT DAY?

A YES. MR. GOODSON AND MRS. HANSEN IMMEDIATELY CAME DOWN TO MY OFFICE, AT WHICH TIME WE VISITED AND PREPARED THE NOTE AND GRANTED THE LOAN, AND GAVE MRS. HANSEN A CASHIER'S CHECK, WHICH WAS THE PROCEEDS OF THE LOAN.

Q WAS THERE A LOAN APPLICATION MADE OUT THAT DAY? OR FILLED OUT IN THE RECORDS OF THE BANK?

A IT WAS FILLED OUT IN THE COURSE OF BUSINESS. I DON'T RECALL IF IT WAS EXACTLY THAT DAY; BUT IT WOULD HAVE BEEN DATED THAT DAY.

Q I WOULD LIKE TO SHOW YOU EXHIBIT 13 THAT HAS BEEN MARKED FOR IDENTIFICATION. IS THAT THE LOAN APPLICATION?

A YES, IT IS. THIS IS THE LOAN APPLICATION THAT WENT INTO A CREDIT FILE, THE CREDIT RECORDS OF THE BANK.

Q AND THAT'S A BANK RECORD?

A YES.

Q AND THE DATE ON THAT?

A MAY 27TH, 1977.

MR. COLE: YOUR HONOR, I WOULD MOVE THAT INTO EVIDENCE AT THIS TIME.

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS NOW IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 13 WAS RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. HENRY, THERE IS CERTAIN INFORMATION ON THAT LOAN APPLICATION, IS THAT CORRECT?

A THAT'S CORRECT. IT BASICALLY DETAILS THE USE OF THE FUNDS AND WHAT LIQUIDATION AGREEMENT OR REPAYMENT AGREEMENT THERE IS BETWEEN THE BANK AND THE BORROWER. IT GIVES WHETHER IT IS SECURED OR UNSECURED, AND ANY OTHER COMMENTS THAT ARE PERTINENT.

Q LET'S GO INTO A FEW OF THOSE THINGS, MR. HENRY. FIRST OF ALL, IT SAYS THE USE OF THE FUNDS. WHAT IS WRITTEN THERE?

A "PERSONAL EXPENSES."

Q AND WHO PROVIDED THAT INFORMATION?

A MRS. HANSEN. WE ARE REQUIRED TO DESIGNATE FOR ANY LOAN WHAT THE PURPOSE IS, AND WHEN ASKED THAT, SHE INDICATED IT WAS FOR PERSONAL EXPENSES.

Q AND THE TERMS OF THE LOAN -- THE LIQUIDATION AGREEMENT, I BELIEVE YOU CALLED IT?

A RIGHT.

Q WHAT IS THAT?

A IT IS A ONE-YEAR NOTE WITH INTEREST PAYABLE QUARTERLY, WHICH IS EVERY 90 DAYS.

Q NOW, IS THAT 90 DAYS FROM THE DATE THE NOTE STARTS?

A CORRECT.

Q YOU SAID THERE'S COLLATERAL. THAT'S WHAT PEOPLE PUT UP FOR A NOTE?

A YES. TO SECURE THE --

Q WHAT IS PLEDGED?

A YES.

Q AND WHAT IS THE COLLATERAL IN THIS CASE?

A THIS WAS UNSECURED.

Q NOW, THERE IS ANOTHER COMMENT AFTER THAT, "GUARANTORS"?

A CORRECT.

Q AND THERE'S NOTATIONS AFTER THAT. WHAT ARE THOSE NOTATIONS?

A NOTATIONS INDICATE THAT NELSON BUNKER HUNT WAS THE GUARANTOR.

Q AND THERE ARE SOME NUMBERS AFTER THAT, WITH "N/W". WHAT DOES THAT INDICATE?

A STANDS FOR NET WORTH, OR CAPITAL.

Q WOULD THAT BE THE NET WORTH OF MR. HUNT?

A AS OF THE STATEMENT THAT WE HAD AS OF SEPTEMBER 30, 1976, THAT'S CORRECT.

A WOULD YOU TELL THE JURY WHAT THE NET WORTH WAS OF MR. HUNT AS OF THAT DATE?

A IT SHOWS $139,881,590.

Q THERE IS A SECTION OF "REMARKS" AS WELL. AND COULD YOU TELL THE JURY BRIEFLY WHAT THOSE REMARKS ARE?

A THESE REMARKS STATE THAT MRS. HANSEN IS THE WIFE OF CONGRESSMAN GEORGE HANSEN OF IDAHO AND FURTHER STATE -- AND FOR INTERNAL PURPOSES WITHIN THE BANK, THAT THE LOAN WOULD BE OFFSET AGAINST A LINE OF CREDIT WHICH MR. HUNT HAD WITH THE BANK. IN OTHER WORDS, THIS LOAN WAS FUNDED AGAINST AN EXISTING COMMITMENT WHICH THE BANK HAD OUT TO MR. HUNT.

Q MR. HENRY, I WOULD LIKE TO SHOW YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 16. DO YOU RECOGNIZE THAT, SIR?

A YES. THIS IS THE CASHIER'S CHECK WHICH WE ISSUED ON GRANTING THE LOAN TO MRS. HANSEN. IT IS PAYABLE TO CONNIE S. HANSEN IN THE AMOUNT OF $50,000.

Q WOULD YOU TURN THAT CHECK OVER, SIR. IS THE CHECK ENDORSED?

A THE CHECK IS ENDORSED CONNIE S. HANSEN AND

GEORGE V. HANSEN.

Q THIS LOAN WAS ONLY TO CONNIE HANSEN, IS THAT CORRECT?

A THAT'S CORRECT.

Q MR. HENRY, I WOULD LIKE TO ASK YOU ABOUT THE PAYMENT HISTORY OF THIS NOTE. I SHOW YOU GOVERNMENT EXHIBIT 17. COULD YOU TELL ME WHAT THAT IS, SIR?

A THIS IS AN INTERNAL MEMORANDUM WRITTEN JANUARY 4TH, 1978, TO OUR LOAN REVIEW DEPARTMENT. THIS IS AN INTERNAL CREDIT REVIEW DEPARTMENT THAT MONITORS THE LOANS WITHIN THE BANK.

Q WHO WROTE THE REPORT?

A I WROTE THE REPORT.

Q AND IS THIS PART OF YOUR BUSINESS IN THE BANK, TO WRITE REPORTS OF THIS NATURE?

A YES, IT IS.

Q AND IS IT COMMUNICATING TO THE LOAN REVIEW DEPARTMENT BUSINESS GOING ON IN THE BANK?

A THAT'S CORRECT. IT IS INDICATING SOMETHING IN REFERENCE TO THE CONNIE S. HANSEN LOAN.

Q AND THIS WAS MADE AT THE TIME THESE EVENTS RECOUNTED IN HERE HAPPENED?

A YES.

Q AND MEMOS OF THIS NATURE ARE KEPT AT THE BANK FOR A PERIOD OF TIME?

A YES, THEY ARE.

MR. COLE: YOUR HONOR, I SUBMIT GOVERNMENT'S EXHIBIT 17 INTO EVIDENCE.

MR. LEWIN: NO OBJECTION, YOUR HONOR.

THE COURT: IT IS NOW IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 17 WAS RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. HENRY, I WOULD LIKE TO ASK YOU ABOUT THE PAYMENTS CONCERNING THIS LOAN, THIS $50,000 LOAN --

THE COURT: EXCUSE ME. DO YOU HAVE THAT WHICH WAS JUST SUBMITTED INTO EVIDENCE? DOES THE WITNESS STILL HAVE IT, OR YOU HAVE IT?

MR. COLE: YES, HE STILL HAS IT, YOUR HONOR.

THE COURT: COULD I JUST SEE IT FOR A MOMENT, PLEASE?

BY MR. COLE:

Q MR. HENRY, WHILE HER HONOR IS LOOKING AT THAT, I WOULD LIKE YOU TO LOOK AT GOVERNMENT'S EXHIBIT 25, WHICH IS A LOAN LEDGER SHEET FROM THE FIRST NATIONAL BANK. PERHAPS THAT MAY BE OF SOME ASSISTANCE TO YOU IN THE NEXT QUESTIONS.

IS THAT A LOAN LEDGER SHEET FROM YOUR BANK CONCERNING THE CONNIE HANSEN LOAN?

A YES. IT IS CALLED A LIABILITY LEDGER SHEET, AND IT RECOUNTS THE TRANSACTIONS RELATIVE TO THIS LOAN FROM THE DATE THE LOAN WAS MADE, MAY 27, 1977, UNTIL THE NOTE WAS PAID.

MR. COLE: YOUR HONOR, I WOULD LIKE TO OFFER THAT

INTO EVIDENCE AT THIS TIME.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 25 WAS RECEIVED IN EVIDENCE)

MR. COLE: I HAVE A COPY FOR THE COURT, YOUR HONOR.

THE COURT: THANK YOU.

BY MR. COLE:

Q MR. HENRY, YOU SAID INTEREST WAS PAYABLE QUARTERLY. WHEN WAS THE FIRST INTEREST PAYMENT DUE ON THIS LOAN AFTER MAY 27, 1977?

A IT WOULD HAVE BEEN DUE 90 DAYS AFTER THAT PERIOD, WHICH WOULD HAVE MADE IT APPROXIMATELY THE END OF AUGUST, 1977.

Q DOES YOUR BANK HAVE A POLICY ABOUT SENDING NOTICES OUT FOR INTEREST PAYMENTS?

A YES. WE HAVE A COMPUTER-GENERATED NOTICE SYSTEM, AND THEY WOULD BE MAILED OUT TO THE ADDRESS ON THE NOTE ITSELF NORMALLY TEN DAYS PRIOR TO THE NOTE PAYMENT -- OR THE INTEREST PAYMENT BEING DUE.

Q WAS THERE ANY INTEREST PAYMENT MADE, FROM THESE RECORDS, THAT YOU CAN TELL, IN AUGUST OF 1977?

A NO, IT WAS NOT.

Q WHEN WOULD THE NEXT INTEREST PAYMENT BE DUE AFTER AUGUST?

A IT WOULD HAVE BEEN DUE APPROXIMATELY 90 DAYS LATER, NOVEMBER, 1977.

Q WAS THERE ANY INTEREST PAYMENT MADE BETWEEN AUGUST AND THE END OF NOVEMBER, 1977?

A NO, THERE WAS NOT.

Q MR. HENRY, I AM GOING TO SHOW YOU AGAIN THE MEMORANDUM THAT YOU WROTE ON JANUARY 4, 1978, GOVERNMENT'S EXHIBIT 17.

MR. COLE: IF I MAY, YOUR HONOR, I WILL SHOW HIM A COPY OF IT AT THE PRESENT TIME.

THE COURT: FINE.

BY MR. COLE:

Q DOES THAT REFLECT EFFORTS THAT YOU WENT THROUGH AND CONTACTS YOU HAD CONCERNING THE PAYMENT OF INTEREST ON THIS LOAN?

A YES, IT DOES. IT BASICALLY OUTLINES THE FACT THAT NOTICES WERE SENT OUT AUGUST AND NOVEMBER REQUESTING INTEREST PAYMENTS TO BE MADE.

Q ANYTHING ELSE SENT BESIDES JUST THE TWO NOTICES?

A WE SENT -- AFTER THE FIRST 90-DAY INTEREST NOTICE WENT OUT AND PRIOR TO THE SECOND, OR NOVEMBER NOTICE GOING OUT, I SENT A REGISTERED COPY OF THE FIRST NOTICE TO INSURE THAT MRS. HANSEN HAD RECEIVED THAT. I WAS SOMEWHAT CONFUSED BECAUSE, REALIZING THAT THERE WAS AN ARLINGTON, VIRGINIA, ADDRESS, AS WELL AS AN IDAHO RESIDENCE, WE WERE CONCERNED THAT PERHAPS THE ORIGINAL NOTICE HAD NOT BEEN RECEIVED BY

MRS. HANSEN.

Q SO YOU SENT A CERTIFIED REGISTERED NOTICE?

A CORRECT.

Q AND WHO WAS THAT ADDRESSED TO?

A IT WAS ADDRESSED TO MRS. HANSEN.

Q DID YOU GET ANY RESPONSE TO THAT NOTICE BEING SENT OUT?

A YES. OF COURSE, WE GOT THE RETURN RECEIPT BACK. BUT AFTER THAT, CONGRESSMAN HANSEN CALLED ME TO INDICATE THAT HE WOULD PUT A CHECK IN THE MAIL TO COVER THE INTEREST PAYMENT THAT WAS DUE.

Q THIS IS CONGRESSMAN HANSEN; NOT MRS. HANSEN?

A THAT'S CORRECT.

Q HAD YOU SENT THE LETTER TO CONGRESSMAN HANSEN?

A NO. THE LETTER HAD BEEN ADDRESSED TO MRS. HANSEN.

Q DID THE CHECK EVER COME?

A NO.

Q WHAT HAPPENED AT THIS POINT? WHAT EFFORTS DID YOU MAKE AT THIS POINT AS FAR AS COLLECTING INTEREST WHICH IS NOW, I GUESS, TWO QUARTERS OVERDUE ON THE NOTE?

A I AT THAT POINT HAD CONVERSATION BACK WITH MR. GOODSON, MR. HUNT'S FINANCIAL OFFICER, AS WE WERE OBVIOUSLY CONCERNED WITH THE LATE PAYMENT, OR THE NONPAYMENT, RATHER, OF THE INTEREST. AND --

Q WHAT DID MR. -- GO AHEAD.

A IN CONVERSATION WITH MR. GOODSON, HE INDICATED THAT HE FELT THE SITUATION WOULD BE CLEARED UP SHORTLY, ALTHOUGH HE DID NOT INDICATE HOW. AND WE AGREED TO DO NOTHING UNTIL THE END OF JANUARY OF 1978, TO ALLOW TIME FOR PAYMENT TO COME IN.

Q MR. GOODSON DIDN'T INDICATE HOW THINGS WOULD BE TAKEN CARE OF. DID HE INDICATE AT ALL THE SOURCE OF HOW THINGS MIGHT BE TAKEN CARE OF, WHERE THE MONEY MIGHT COME FROM?

A NO.

Q DID PAYMENT FINALLY COME IN, MR. HENRY?

A YES. WE DID FINALLY RECEIVE AN INTEREST PAYMENT IN FEBRUARY OF 1978.

Q MR. HENRY, HOW LONG DOES YOUR BANK, IN YOUR EXPERIENCE, USUALLY LET A LOAN GET OVERDUE BEFORE YOU START TAKING, SHALL WE SAY MORE DRASTIC MEASURES THAN SENDING A REGISTERED LETTER?

A THE CREDIT EXTENSION THAT WE MADE TO MRS. HANSEN WAS BASED SOLELY ON MR. HUNT'S GUARANTEE, AND WE FELT VERY SECURE AND COMFORTABLE FROM THE START THAT WE WOULD ULTIMATELY GET REPAID IN FULL. AS A RESULT, WE ALLOWED AN INORDINATE AMOUNT OF TIME TO GO WITHOUT MAKING SOME CONTACT WITH THE BORROWER TO TRY TO GET THIS PAYMENT MADE. NORMALLY, YOU WOULD ALLOW TEN DAYS, UP TO 30 DAYS, DEPENDING ON THE SITUATION. IN THIS CASE, IT WAS AN OUT-OF-TOWN AND OUT-OF-STATE BORROWER, AND WE REALIZE THAT SOME THINGS TAKE MORE TIME.

BUT TYPICALLY, YOU WOULD ATTEMPT TO CONTACT THE BORROWER WITHIN TEN DAYS OF THE PAYMENT BEING PAST DUE.

Q BUT YOU DIDN'T IN THIS CASE; IS THAT CORRECT?

A NO.

Q AND THAT WAS BECAUSE MR. HUNT'S GUARANTEE WAS PRESENT?

A THAT'S CORRECT.

Q WOULD THIS LOAN HAVE BEEN MADE WITHOUT MR. HUNT'S GUARANTEE?

A WE WOULD HAVE HAD NO REASON TO EXTEND THE CREDIT WITHOUT MR. HUNT'S GUARANTEE. MRS. HANSEN WAS NOT A CUSTOMER OF THE BANK AND WAS NOT IN OUR MARKET AREA.

Q THERE WAS ANOTHER INTEREST PAYMENT MADE ON THIS LOAN IN OCTOBER OF 1978?

A THAT'S CORRECT.

Q AND THAT WAS ALSO PURSUANT TO A PAST-DUE NOTICE?

A YES.

Q THERE WAS A RENEWAL ON THIS LOAN; IS THAT CORRECT?

A THE ONE-YEAR NOTE WAS RENEWED EFFECTIVE MAY OF 1978.

Q WHEN DID THE ACTUAL RENEWAL TAKE PLACE, HOWEVER?

A IT TOOK PLACE IN JANUARY OF 1979.

Q MR. HENRY, I WOULD LIKE TO SHOW YOU WHAT HAVE BEEN MARKED GOVERNMENT'S EXHIBITS 18 AND 19 AND ASK YOU IF YOU RECOGNIZE THOSE DOCUMENTS.

A EXHIBIT 18 IS ANOTHER INTERNAL LOAN APPLICATION FORM

WHICH WAS PLACED IN THE CREDIT FILE, WHICH INDICATES THE ONE-YEAR EXTENSION OF THE ORIGINAL $50,000 NOTE FOR AN ADDITIONAL YEAR, WHICH WOULD HAVE BEEN TO MAY OF 1979.

Q NOW, THIS IS ALSO FOR CONNIE HANSEN'S ACCOUNT?

A YES.

Q AND AGAIN, MR. HUNT GUARANTEES THE LOAN?

A YES. SAME IDENTICAL WORDING IS ON THIS LOAN APPLICATION FORM AS WAS ON THE ORIGINAL.

Q WHAT IS THE DATE ON THIS LOAN APPLICATION?

A NOVEMBER 28, 1978.

Q AND WHAT IS THE DATE OF HAVING BEEN RECEIVED IN THE CREDIT DEPARTMENT STAMPED ON THE LOAN?

A FEBRUARY 2ND, 1979.

Q ASIDE FROM THE LOAN APPLICATION, WHAT IS THE OTHER DOCUMENT I HAVE GIVEN YOU?

A EXHIBIT 19 IS A COPY OF THE MAY 1978 RENEWAL NOTE, WHICH HAS A MATURITY DATE OF MAY 25TH, 1979.

MR. COLE: YOUR HONOR, I WOULD MOVE EXHIBITS 18 AND 19 INTO EVIDENCE AT THIS TIME.

MR. LEWIN: NO OBJECTION.

THE COURT: THEY ARE IN EVIDENCE.

(GOVERNMENT'S EXHIBITS 18 AND 19
WERE RECEIVED IN EVIDENCE)

BY MR. COLE:

Q NOW, MR. HENRY, YOU STATED THAT THE ACTUAL RENEWAL TOOK PLACE IN JANUARY OF '79; IS THAT CORRECT?

A YES.

Q AND IT WAS BACK-DATED TO MAY?

A THAT'S CORRECT.

Q WAS THERE A PAYMENT MADE AT THE TIME TO ALLOW RENEWAL IN JANUARY?

A THE PAYMENT THAT WAS MADE IN FEBRUARY AND AGAIN IN OCTOBER, 1978, DID PAY INTEREST CURRENT THROUGH THE MAY 1978 ORIGINAL MATURITY OF THE NOTE. SO, SINCE THE INTEREST PAYMENT WAS CURRENT THROUGH MAY OF '78, WE WERE ABLE TO RENEW THIS LOAN.

Q ACCORDING TO THE LEDGER, WAS THERE ANY PAYMENT MADE IN 1979 AFTER THE RENEWAL?

A THERE WAS AN ADDITIONAL -- WELL, ON THE 10TH OF JANUARY, 1979, THERE WAS ADDITIONAL INTEREST PAID ON THE LOAN.

Q BUT THAT'S THE INTEREST YOU JUST DESCRIBED THAT BROUGHT THE ACCOUNT CURRENT AND ALLOWED THE RENEWAL?

A YES.

Q AFTER THAT, THERE WAS NO INTEREST PAID?

A AFTER THAT, THERE WAS NO INTEREST PAID UNTIL THE NOTE WAS PAID OFF AT THE BANK IN JUNE OF 1980.

Q BETWEEN JANUARY OF 1979 AND JUNE OF 1980, DID YOU MAKE FURTHER CONTACTS TO TRY AND GET THIS NOTE PAID OFF?

A YES, I DID.

Q AND WHO DID YOU CONTACT?

A I CONTACTED CONGRESSMAN HANSEN.

Q DID YOU EVER TALK TO MRS. HANSEN ABOUT THIS NOTE DURING THAT TIME?

A I DO NOT RECALL EVER TALKING TO MRS. HANSEN AFTER SHE WAS ORIGINALLY IN MY OFFICE TO EXTEND THE CREDIT IN MAY OF '77.

Q YOU DIDN'T TALK TO HER SINCE MAY OF '77?

A NO, SIR.

Q HOW MANY CONTACTS DID YOU HAVE WITH CONGRESSMAN HANSEN CONCERNING THE PAYOFF ON THIS NOTE?

A AFTER HIS INITIAL PHONE CALL TO ME, I CANNOT RECALL SPECIFICALLY, BUT I BELIEVE I HAD CONTACT WITH HIM ONE OR TWO OTHER TIMES.

Q WHAT WOULD HE SAY DURING THESE CONTACTS?

A HE WOULD GENERALLY INDICATE THAT HE WOULD ATTEMPT TO SEE THAT SOMETHING WAS DONE TO TAKE CARE OF THE PAYMENTS.

Q DID PAYMENTS COME IN PURSUANT TO HIS STATEMENTS?

A NO.

Q DID YOU SEND OUT ANY LETTERS, MR. HENRY, DURING THAT TIME?

A YES. WE EVENTUALLY SENT LETTERS REQUESTING PAYMENT OF THE NOTE IN FULL.

Q DID YOU HAVE CONTACT WITH MR. HUNT, AS WELL, DURING THIS PERIOD OF TIME?

A YES. EITHER WITH MR. HUNT OR WITH MR. GOODSON.

Q MR. HENRY, I WOULD LIKE TO SHOW YOU GOVERNMENT'S EXHIBIT 20, WHICH IS ALREADY IN EVIDENCE, A LETTER DATED JANUARY 17TH, 1980, TO NELSON BUNKER HUNT; EXHIBIT NO. 22, WHICH IS ALREADY IN EVIDENCE, A MARCH 18 LETTER TO MR. HUNT, BOTH FROM YOU; AND EXHIBIT NO. 21, WHICH HAS BEEN MARKED FOR IDENTIFICATION, A MARCH 18TH LETTER FROM YOU TO THE HONORABLE AND MRS. GEORGE HANSEN.

DID YOU PREPARE ALL THOSE LETTERS, SIR?

A YES, I DID.

Q DID YOU SIGN ALL THOSE LETTERS?

A YES, I DID.

Q IN THE LETTER TO MR. HUNT IN JANUARY, DO YOU DESCRIBE THE EFFORTS THAT YOU HAVE BEEN MAKING AND THE CONTACTS YOU'VE BEEN HAVING CONCERNING COLLECTION ON THIS LOAN?

A YES. IN THIS LETTER, BASICALLY TO PUT ON RECORD TO MR. HUNT THE FACT THAT WE WERE HAVING DIFFICULTY GETTING PAYMENTS, INTEREST PAYMENTS, BEING MADE ON A TIMELY BASIS, INDICATE THAT THE LOAN HAD CONTINUALLY BEEN PAST DUE, AND --

Q IN SPECIFIC, MR. HENRY, DO YOU INDICATE WHO YOU HAD CONTACT WITH CONCERNING THE PAYMENTS ON THESE LOANS BETWEEN MR. OR MRS. HANSEN?

A I INDICATE THAT WE SENT NOTICES TO MRS. HANSEN, SINCE SHE WAS THE ONE THAT MADE THE NOTE, AND THAT WE HAD HAD -- THOSE HAD GONE UNANSWERED, AND HAD MADE DIRECT CONTACTS

WITH CONGRESSMAN HANSEN.

Q NOW, THESE NOTICES THAT YOU SENT AND THE DIRECT CONTACTS YOU HAD WITH CONGRESSMAN HANSEN, THEY WOULD HAVE BEEN DURING THE YEARS 1978 AND 1979?

A THAT'S CORRECT.

Q AND POSSIBLY EVEN 1980?

A YES.

Q NOW, ON MARCH 18TH, YOU SENT TWO LETTERS. I WOULD LIKE TO NOW DIRECT YOUR ATTENTION TO THE MARCH 18TH LETTER TO THE HONORABLE AND MRS. GEORGE HANSEN. YOU WROTE THIS LETTER, SIR?

A YES. THIS IS MARKED AS EXHIBIT 21, AND IT'S -- EXCUSE ME.

MR. COLE: YOUR HONOR, GOVERNMENT WOULD MOVE EXHIBIT 21 INTO EVIDENCE AT THIS TIME.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 21 WAS
RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. HENRY, IN THIS LETTER YOU ARE CONTACTING THE HANSENS AND ASKING FOR PAYMENT, IS THAT CORRECT?

A THAT'S CORRECT. IT IS BASICALLY A DEMAND LETTER REQUESTING FULL PAYMENT OF THE NOTE.

Q AND YOU CC'D THAT LETTER OR SENT A COPY OF IT TO

SOMEONE ELSE?

A I SENT A COPY OF THAT LETTER TO MR. HUNT.

Q AND YOU ALSO SENT A LETTER TO MR. HUNT, IS THAT CORRECT?

A AND I SENT A COVER LETTER WITH THAT, AND INDICATE IN THAT LETTER THAT IF WE RECEIVE NO PAYMENT FROM THE HANSENS, WE WILL HAVE NO OPTIONS BUT TO CALL ON HIM FOR PAYMENT UNDER HIS GUARANTEE AGREEMENT.

Q WAS THE GUARANTEE ULTIMATELY FULFILLED?

A YES, IT WAS.

Q AND WHEN WAS THAT?

A THAT WAS DONE IN JUNE OF 1980. JUNE 3RD, 1980.

Q I SHOW YOU EXHIBIT NO. 24. IS THAT A MEMO CONCERNING THAT PAYOFF?

A THIS IS AN INTERNAL MEMORANDUM ADDRESSED TO OUR CREDIT REVIEW COMMITTEES SAYING EFFECTIVE JUNE 3RD, 1980, MR. HUNT PURCHASED OUR $50,000 NOTE TO MRS. HANSEN AND PAID, IN ADDITION TO THE FULL PRINCIPAL, THE FULL ACCRUED INTEREST OF $11,503.42.

Q SO THAT AMOUNTED TO $61,503.42. IS THAT CORRECT?

A THAT'S CORRECT.

MR. COLE: YOUR HONOR, I WOULD MOVE THAT INTO EVIDENCE AT THIS TIME.

THE COURT: THAT IS EXHIBIT NUMBER --

THE WITNESS: 24.

THE COURT: 24? THANK YOU.

MR. LEWIN: NO OBJECTION.

THE COURT: WITHOUT OBJECTION. ALL RIGHT, IT'S IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 24 WAS
RECEIVED IN EVIDENCE)

MR. COLE: YOUR HONOR, AT THIS TIME I WOULD LIKE TO SHOW COUNSEL THE REMAINING ENTRIES FOR THE CHART WE HAVE BEEN USING SO FAR.

THE COURT: ALL RIGHT. I TAKE IT THIS WILL TAKE ALL ABOUT FIVE MINUTES OR SO, AND THEN WE WILL RELEASE THE JURY FOR LUNCH. I JUST DON'T WANT THE JURORS TO GET RESTIVE, SINCE WE USUALLY BREAK AT THIS TIME. FIVE OR TEN MORE MINUTES MAKES NO DIFFERENCE, IF WE CAN COMPLETE SOMETHING.

MR. COLE: MY INQUIRY OF MR. HENRY WILL BE DONE WITH THAT, YOUR HONOR.

THE COURT: I THOUGHT PERHAPS SO. ALL RIGHT.

THAT MEANS, LADIES AND GENTLEMEN, ABOUT FIVE MINUTES, PERHAPS TEN, AND THEN LUNCHEON.

MR. COLE: YOUR HONOR, I WOULD REQUEST PERMISSION TO PLACE THESE PLAQUES ON THE CHART.

THE COURT: MR. LEWIN?

MR. LEWIN: SUBJECT TO OUR --

THE COURT: SUBJECT TO YOUR CONTINUING OBJECTION?

MR. LEWIN: RIGHT.

THE COURT: ALL RIGHT. ON THE CHART.

MR. COLE: FOR THE RECORD, YOUR HONOR, THE FIRST ENTRY IS MAY 27TH, 1977: "MRS. HANSEN TRAVELS TO DALLAS AND BORROWS $50,000 FROM FIRST NATIONAL BANK IN ONE-YEAR NOTE."

THE SECOND ENTRY, THE SAME DATE OF MAY 27TH, 1977: "LOAN IS GUARANTEED BY NELSON BUNKER HUNT."

THE COURT: MA'AM, YOU'RE HAVING DIFFICULTY SEEING?

JUROR NO. 2: YES. THE STAND IS IN THE WAY.

THE COURT: OH. THE STAND IS APPARENTLY IN THE WAY. I WONDER IF IT COULD BE SLIGHTLY ARRANGED SO ALL OF OUR JURORS CAN SEE IT, MR. COLE.

MR. COLE: CERTAINLY. I MIGHT BE ABLE TO RAISE IT A LITTLE FURTHER.

THE COURT: CAN YOU ALL SEE IT BETTER NOW? YOU STILL ARE BEING BLOCKED FROM YOUR VISION.

MR. COLE: HOW ABOUT IF I PUT IT UP HERE, YOUR HONOR, AND COUNSEL CAN COME AROUND.

THE COURT: DO YOU WISH TO COME AROUND, MR. LEWIN?

MR. LEWIN: I'VE SEEN IT.

THE COURT: ALL RIGHT. FINE AND GOOD. THANK YOU SO MUCH. THAT'S BETTER. I CAN SEE THE NODS OF BETTERMENT. ALL RIGHT.

MR. COLE: THE NEXT ENTRY IS NOVEMBER TO DECEMBER, 1977: "GEORGE HANSEN CALLS HENRY IN RESPONSE TO REQUEST FOR PAYMENT OF OVERDUE INTEREST."

WE NEXT GO TO 1979. JANUARY 10: "$50,000 LOAN TO MRS. HANSEN FROM FIRST NATIONAL BANK IN DALLAS IS RENEWED AND BACK-DATED TO MAY 26, 1978."

THE SAME DATE, "RENEWED LOAN IS GUARANTEED BY NELSON BUNKER HUNT."

WE NOW MOVE TO 1980, JUNE 3RD OF THAT YEAR: "NELSON BUNKER HUNT FULFILLS GUARANTEE AND PAYS OFF LOAN FOR $61,503.42 -- $50,000 IN PRINCIPAL PLUS $11,503.42 IN INTEREST."

WE HAVE NO FURTHER QUESTIONS FOR THIS WITNESS AT THIS TIME, YOUR HONOR.

THE COURT: LADIES AND GENTLEMEN, WE ARE GOING TO HAVE OUR LUNCHTIME RECESS AT THIS TIME. MR. HENRY WILL BE BACK WITH US THIS AFTERNOON FOR A CONTINUATION AND POSSIBLE COMPLETION OF THE TESTIMONY.

IT'S ABOUT TWENTY AFTER 12:00. LET'S SAY THE ODD HOUR OF 1:35. I'M TRYING TO GIVE YOU ABOUT AN HOUR AND FIFTEEN MINUTES FOR LUNCHEON, AND I KNOW THE MARSHALS WILL ACCOMMODATE US AS CLOSELY AS POSSIBLE TO THAT HOUR. SIMILARLY FOR THE COUNSEL AND MR. HANSEN.

MR. HENRY, YOU ARE IN THE MIDST OF YOUR TESTIMONY. I WOULD ASK THAT YOU NOT DISCUSS IT WITH ANYONE AT THIS TIME UNTIL THIS MATTER IS COMPLETED.

THE WITNESS: FINE, YOUR HONOR.

THE COURT: ALL RIGHT. HAVE A GOOD LUNCHEON, ALL.

THERE ARE SOME EXHIBITS, I BELIEVE, UP HERE ON THE

WITNESS TABLE. I WOULD ASK THAT COUNSEL SEE THAT THEY ARE BACK WITH THE CLERK.

MR. COLE: VERY WELL, YOUR HONOR.

(WHEREUPON, AT 12:23 P.M., THE TRIAL WAS RECESSED, TO RECONVENE AT 1:35 P.M., THE SAME DAY.)

AFTERNOON SESSION

THE COURT: COUNSEL ALL READY?

MR. COLE: THE GOVERNMENT IS READY, YOUR HONOR.

THE COURT: BRING IN THE JURY, THEN.

(WHEREUPON, AT 1:46 P.M., THE JURY ENTERS.)

THE COURT: GOOD AFTERNOON, LADIES AND GENTLEMEN. WE WILL CONTINUE WITH OUR CASE. COUNSEL MAY PROCEED, AND OUR WITNESS IS IN THE WITNESS ROOM, MR. HENRY. THE DEPUTY MARSHAL WILL HELP US BRING HIM IN. MR. HENRY, IF YOU WOULD RESUME THE STAND. YOU ARE OF COURSE, STILL UNDER OATH.

WHEREUPON,

SAMUEL PATRICK HENRY

WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN PREVIOUSLY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

CROSS EXAMINATION

BY MR. BRAGA:

Q. GOOD AFTERNOON MR. HENRY, I HOPE YOU HAD A NICE LUNCH?

A. I DID.

Q. A COUPLE QUESTIONS FOR YOU. FIRST OF ALL, THIS WAS NOT THE FIRST TIME THAT MR. HUNT HAD EVER SENT SOMEONE DOWN TO YOUR OFFICE FOR A LOAN OF THIS TYPE, WAS IT?

A. NO, IT WAS NOT. WE HAVE MADE -- DURING THE COURSE OF THE TIME THAT I HANDLED THE HUNT RELATIONSHIP, MADE A COUPLE OF OTHER LOANS SIMILARLY GUARANTEED BY MR. HUNT, BASED ON HIS CREDIT.

Q. NOW, WHEN MR. HUNT'S EMPLOYEE, MR. GOODSON, FIRST EMPLOYED YOU AND SAID CONNIE HANSEN IS IN HIS OFFICE; HE WOULD LIKE TO BRING HER DOWN FOR A LOAN, HE DIDN'T IN ANY WAY MENTION CONGRESSMAN HANSEN, DID HE?

A. HE DID NOT.

Q. IN FACT, YOU ONLY LEARNED THAT CONNIE HANSEN'S HUSBAND WAS A CONGRESSMAN THROUGH INCIDENTAL CONVERSATION WITH HER WHEN SHE WAS FILLING OUT THE LOAN APPLICATION, ISN'T THAT CORRECT?

A. WHEN TRYING TO DETERMINE WHAT ADDRESS TO USE ON THE NOTE, SHE INDICATED -- SHE HESITATEED FOR A MOMENT AS TO WHETHER TO USE VIRGINIA ADDRESS OR HER IDAHO ADDRESS.

Q. SHE TOLD YOU SHE HAD TWO ADDRESSES BECAUSE HER HUSBAND WAS AS CONGRESSMAN, RIGHT?

A. YES.

Q. NOW, ON THAT DAY IN YOUR OFFICE, CONNIE HANSEN SIGNED THE LOAN DOCUMENTS WHICH, I BELIEVE, ARE GOVERNMENT'S EXHIBIT 13 AND 14, WHICH SHOULD BE IN FRONT OF YOU?

A. THAT IS CORRECT.

Q CONGRESSMAN HANSEN NEVER SIGNED ANY DOCUMENT IN CONNECTION WITH THIS LOAN, DID HE?

A. NO, HE DID NOT.

Q. HE WAS NEVER ASKED TO SIGN ANY DOCUMENTS, WAS HE?

A. NO.

Q. NOW, IF YOU LOOK AT GOVERNMENT EXHIBIT 16, WHICH I BELIEVE IS THE CHECK FOR THE LOAN. IT SHOULD BE RIGHT THERE IN

FRONT OF YOU. THAT IS MADE PAYABLE TO CONNIE S. HANSEN, IS THAT NOT CORRECT?

A. THAT IS CORRECT.

Q. YOU CAN FLIP IT OVER. I BELIEVE THE GOVERNMENT HAD YOU LOOK AT IT AND YOU SAID GEORGE HANSEN HAD ENDORSED IT?

A. YES.

Q. WHERE'S MR. HANSEN'S ENDORSEMENT ON THAT IN RELATION TO CONNIE HANSEN'S ENDORSEMENT?

A. IT IS BELOW HER ENDORSEMENT.

Q. USING YOUR EXPERIENCE AS A BANKER, DOES THAT TELL YOU ANYTHING ABOUT WHO MIGHT HAVE ENDORSED THAT CHECK FIRST?

A. I WOULD ASSUME THAT SHE DID, BUT THAT IS STRICTLY AN ASSUMPTION ON MY PART.

Q. THAT IS FINE. IN FACT, THERE ARE A NUMBER OF LEGITIMATE, PERFECTLY PROPER REASONS WHY CONGRESSMAN HANSEN MIGHT HAVE ENDORSED THAT CHECK, AREN'T THERE, SUCH AS THE FACT THAT HE MIGHT BE --

THE COURT: HAD YOU FINISHED YOUR QUESTION OR WAS IT GOING ON?

MR. BRAGA: NO, IT WAS GOING TO GO ON AND GIVE AN EXAMPLE.

THE COURT: WELL, LET IT GO ON.

BY MR. BRAGA:

Q. SUCH AS THE FACT THAT HE MIGHT HAVE BEEN DELIVERING THAT CHECK TO THE BANK FOR DEPOSIT?

A. I ASSUME THAT IS POSSIBLE.

Q. NOW, THE GOVERNMENT ASKED YOU SOME QUESTIONS ABOUT THE INTEREST PAYMENTS THAT WERE DUE, I BELIEVE, EVERY 90 DAYS ON THE LOAN, IS THAT CORRECT?

A. YES.

Q. AND YOU TESTIFIED ON DIRECT I BELIEVE THAT YOUR BANK COMPUTER WOULD SPIN OUT THESE NOTICES ADDRESSED TO THE PERSON WHO WAS ON THE LOAN APPLICATION FORM?

A. ON THE NOTE ITSELF, YES.

Q SO IN THIS CASE, ALL THOSE INTEREST NOTICES WOULD HAVE BEEN SENT TO CONNIE S. HANSEN?

A. THAT IS CORRECT.

Q. NOW, THOSE INTEREST NOTICES CAME EVERY 90 DAYS, I THINK THE FIRST ONE IN AUGUST OF 1977?

A. THAT IS CORRECT.

Q. SO, RIGHT, IN HERE SOMEWHERE, MAY 27TH, THERE SHOULD BE A LITTLE NOTATION THAT SAYS INTEREST NOTICE SENT TO CONNIE HANSEN? THAT IS WHERE IT WOULD FIT IN?

A. THAT IS WHERE IT FITS CHRONOLOGICALLY.

Q. THE NEXT ONE WOULD BE IN NOVEMBER OF 1977?

A. YES.

Q. AND THAT SHOULD BE RIGHT IN HERE, RIGHT ABOUT WHERE THIS IS?

MR. COLE: YOUR HONOR, IF HE IS ASKING THE WITNESS WHERE THESE THINGS SHOULD BE ON OUR CHART. THEY ARE CLEARLY

NOT ON OUR CHART AND I DON'T THINK THE WITNESS KNOWS, WHERE THESE SHOULD BE ON OUR CHART.

THE COURT: PERHAPS IT COULD BE EXPRESSED A LITTLE DIFFERENTLY TO MAKE THE SAME POINT, MR. BRAGA.

MR. BRAGA: THAT IS FINE.

BY MR. BRAGA:

Q. IN ANY EVENT, THROUGHOUT THE PERIOD WE ARE TALKING ABOUT FROM THE MAY 27, 1977, LOAN UNTIL MR. HUNT PURCHASES THE NOTES IN JUNE, 1980, YOUR BANK IS CONTINUALLY SENDING INTEREST DUE NOTICES TO CONNIE HANSEN, INTEREST DUE NOTICES?

A. THAT IS CORRECT.

Q. AND IF WE WERE TO REFLECT ALL OF THAT ACTIVITY HAPPENING ON THIS LOAN, IT SHOULD ALL BE ON THAT CHART?

A. WELL, CHRONOLOGICALLY, THEY WOULD HAVE OCCURRED.

Q. YES. IN NOVEMBER OF 1977, YOU TESTIFIED THAT YOU SENT A REGISTERED LETTER?

A. YES.

Q. AND THAT WAS ADDRESSED TO CONNIE HANSEN?

A. YES.

Q. I BELIEVE THAT LETTER IS -- YOU SAID THAT YOU RECEIVED THE RETURN RECEIPT BACK IN DALLAS FOR THAT LETTER? DO YOU HAVE ANY IDEA WHO SIGNED FOR THAT LETTER WHEN IT WAS DELIVERED IN WASHINGTON?

A. NO, I DO NOT.

Q. YOU TESTIFIED THAT CONGRESSMAN HANSEN CALLED YOU IN

RESPONSE TO THAT LETTER, IS THAT RIGHT?

A. THAT IS RIGHT.

Q. DO YOU RECALL THE SUBSTANCE OF THAT CONVERSATION?

A. I DO NOT SPECIFICALLY RECALL WHAT THE CONGRESSMAN SAID. HE WAS, I ASSUME, RESPONDING TO THE REGISTERED LETTER AND THE FACT THAT IT HAD BEEN RECEIVED, AND HE INDICATED THAT, TO THE BEST OF MY RECOLLECTION, HE INDICATED THAT HE WOULD SEE THAT THE PAYMENT WAS MADE THAT WAS DUE, WHICH WOULD HAVE BEEN THE INTEREST PAYMENT.

Q. IS THAT YOUR INDEPENDENT RECOLLECTION OR IS THAT WHAT YOU RECOLLECT FROM LOOKING AT THE DOCUMENT THAT THE GOVERNMENT HAS GIVEN YOU, I BELIEVE EXHIBIT 17, IF YOU WILL TAKE A LOOK AT IT?

A. THAT IS WHAT I PUT ON THE PAPER IN JANUARY OF 1978 AS BEING THE RECOLLECTION OF THAT. OF COURSE, AT THAT POINT, IT WAS A VERY SHORT TIME.

Q. SURE. BUT RIGHT HERE TODAY ARE YOU TESTIFYING FROM YOUR OWN RECOLLECTION OR FROM THAT DOCUMENT YOU REVIEWED BEFORE YOUR TESTIMONY?

A. REFRESHED BY THIS, THAT IS MY RECOLLECTION.

Q. ISN'T IT TRUE THAT CONGRESSMAN HANSEN INDICATED TO YOU IN THAT CONVERSATION THAT HE THOUGHT MRS. HANSEN HAD ALREADY MADE THE INTEREST PAYMENT?

A. I DO NOT RECALL THE SPECIFICS OF MY CONVERSATION.

Q. AND ISN'T IT TRUE THAT THAT CONVERSATION WAS THE ONLY

SINGLE TIME THAT GEORGE HANSEN EVER CALLED YOU ABOUT THIS LOAN?

A. I BELIEVE THAT IS THE ONLY TIME HE CALLED ME DIRECT.

Q. IN THE COURSE OF YOUR BUSINESS OR PERHAPS EVEN PERSONAL DEALING, IS THAT UNUSUAL FOR A HUSBAND OR A WIFE TO CALL ABOUT ANOTHER SPOUSES OBLIGATION?

A. NO, I WOULD NOT THINK OF IT IS A BEING UNUSUAL.

Q. MR. HENRY, IF YOU COULD LOOK AT THE LEDGER SHEET, WHICH I BELIEVE IS GOVERNMENT EXHIBIT 25.

A. O. K..

Q. THAT, BASICALLY, SHOWS EVERYTHING THAT HAPPENED ON THIS LOAN, IS THAT CORRECT?

A. THAT IS CORRECT.

Q. AND THAT REFLECTS THAT THE FIRST INTEREST PAYMENT WAS MADE IN FEBRUARY OF 1978?

A. THAT IS CORRECT.

Q. SECOND INTEREST PAYMENT IN OCTOBER OF 1978?

A. YES.

Q. AND THEN A THIRD INTEREST PAYMENT ON JANUARY 10, 1979?

A. THAT IS CORRECT.

Q. AND THAT LAST DATE WAS WHEN THE NOTE WAS RENEWED?

A. YES, THAT IS WHEN THE RENEWAL WAS PROCESSED, BACK EFFECTIVE TO MAY OF 1978.

Q. MR. COLE ASKED YOU ON DIRECT IF THERE HAD BEEN AN INTEREST PAYMENT NEEDED, I GUESS, TO EFFECT THAT RENEWAL, TO BRING THE NOTE CURRENT TO THE TIME OF RENEWAL, AND YOU SAID

LOOKING AT THE LEDGER THAT THAT JANUARY 10, 1979, INTEREST PAYMENT WOULD BE THE ONE THAT DID THAT, IS THAT CORRECT?

A. I DON'T KNOW IF THAT SPECIFIC PAYMENT BROUGHT IT CURRENT OR IF IT WAS ALREADY CURRENT THROUGH THE END OF MAY BASED ON THE AMOUNT OF INTEREST THAT HAD PREVIOUSLY BEEN PAID.

Q. DO YOU KNOW WHO MADE THAT LAST PAYMENT ON JANUARY 10, 1979?

A. NO, I DO NOT.

MR. BRAGA: YOUR HONOR, I WOULD LIKE TO HAVE THIS MARKED AS DEFENSE EXHIBIT NUMBER 9. I WILL GIVE A COPY TO THE GOVERNMENT.

SHOWING IT TO COUNSEL, YOUR HONOR.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 9 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED DEFENDANT'S EXHIBIT NO.9 FOR IDENTIFICATION.)

BY MR. BRAGA:

Q. MR. HENRY, IF YOU COULD LOOK AT THIS EXHIBIT, JUST THE BOTTOM HALF OF IT AND COMPARE IT WITH THE LEDGER SHEET AND SEE IF THAT ISN'T THE INTEREST CHECK REFLECTED ON THE LEDGER SHEET?

A. IT IS A CHECK IN THE SAME AMOUNT AS THE AMOUNT OF INTEREST THAT WAS CREDITED TO THE NOTE ON JANUARY 10, THE CHECK IS DATED JANUARY 4, 1979.

Q SO, IT MAY HAVE BEEN MAILED FROM WASHINGTON ON THAT

DATE?

A. YES.

Q. DID THIS CHECK IN FACT ARRIVE AT THE BANK THE SAME TIME AS THE RENEWAL LOAN APPLICATION DID?

A. I DON'T RECALL IF IT DID ARRIVE AT THE SAME TIME.

Q. BUT THE LEDGER SHEET REFLECTS THAT THE RENEWAL WAS EFFECTED ON JANUARY 10?

A. YES.

Q. SO, WHEN MR. COLE ASKED YOU ON DIRECT THE DATE THAT THE RENEWAL APRIL WAS STAMPED BY YOUR CREDIT DEPARTMENT, AND YOU SAID I BELIEVE IT WAS SOME DATE IN FEBRUARY -- YES, FEBRUARY 2ND, 1979. IF YOU LOOK AT --?

A. YES, I REMEMBER.

Q. GOVERNMENT EXHIBIT 18. THAT DATE THE FEBRUARY 2ND DATE IS IRRELEVANT, THE DATE IT WAS RECEIVED BY YOUR CREDIT DEPARTMENT; THAT IS AN INTERNAL DATE?

A. YES, THAT'S CORRECT.

Q. SO THE DATE THAT MATTERS HERE IS JANUARY 10, 1979?

A. YES.

Q. CAN YOU READ TO THE LADIES AND GENTLEMEN OF THE JURY THAT CHECK?

THE COURT: ARE YOU MOVING THAT INTO EVIDENCE?

MR. BRAGA: YES, WE WOULD LIKE TO MOVE THIS INTO EVIDENCE.

THE COURT: ANY OBJECTION?

MR. COLE: NO OBJECTION.

THE COURT: HAS COUNSEL SEEN THIS? ALL RIGHT, IT IS IN EVIDENCE. WOULD YOU LIKE TO READ IT?

THE WITNESS: JUST THE CHECK ITSELF?

BY MR. BRAGA:

Q. YES.

A. IT IS " PAY TO THE ORDER OF FIRST NATIONAL BANK OF DALLAS, DATED JANUARY 4, 1979. THE AMOUNT: ONE THOUSAND ONE HUNDRED AND TWENTY DOLLARS AND FOURTEEN CENTS SIGNED BY CONNIE S. HANSEN. CHECK NUMBER 141, DRAWN ON IDAHO STATE BANK

Q. CAN YOU READ THE MEMO PORTION OF THAT CHECK, TOO?

A. IT SAYS," INTEREST TO 5/26/78."

Q. THANK YOU. WHEN THIS LOAN WAS RENEWED IN JANUARY OF 1979, THAT WAS PRIMARILY YOUR WORK, GETTING THIS LOAN RENEWED, WASN'T IT?

IN OTHER WORDS, YOU FILLED OUT THE RENEWAL LOAN APPLICATION?

A. YES.

Q. DID YOU FILL OUT THE TOP PART OF THE RENEWAL NOTE?

A. YES, MY OFFICE WOULD HAVE COMPLETED THAT.

Q. SO, ALL THAT WAS LEFT ON THE RENEWABLE NOTE FOR CONNIE HANSEN WAS FOR HER TO SIGN IT AND SEND IT BACK?

A. YES, CORRECT.

Q. SO, WHEN THIS CHART SAYS THE NOTE WAS BACKDATED TO MAY 26, 1978, THAT WAS SOMETHING YOUR BANK DID, IS THAT CORRECT?

A. THAT WAS THE ORIGINAL MATURITY DATE OF THE ORIGINAL NOTE.

Q. THAT'S RIGHT. THERE IS NOTHING IMPROPER WITH THAT DATE?

A. NO.

Q. THAT'S THE DATE THAT INTEREST STARTS TO RUN?

A. IF THE INTEREST HAD BEEN PAID TO JANUARY 4TH, OR 10TH OR WHATEVER DATE, 1979, THEN THE NOTE COULD HAVE BEEN DATED JANUARY OF 1979. BUT THE INTEREST WAS ONLY PAID THROUGH THE MAY 26, 1978, MATURITY.

Q. SO, THAT IS WHY THE BANK PUT THAT DATE ON THE TOP?

A. YES.

Q. MR. HENRY, IN THE COURSE OF YOUR DEALINGS WITH THE HANSENS ON THIS LOAN, YOU TESTIFIED THAT CONGRESSMAN HANSEN CALLED YOU ONCE, IS THAT CORRECT?

A. YES.

Q. YOU MIGHT HAVE CALLED HIM ONCE OR TWICE, I BELIEVE YOU SAID, ON DIRECT?

A. UH HUH.

Q. AND DID YOU MAKE EFFORTS TO CONTACT CONNIE HANSEN PERIODICALLY THROUGHOUT THIS PERIOD, ALSO?

A. AFTER CONGRESSMAN HANSEN MADE DIRECT CONTACT WITH ME, I BELIEVE THE ONLY CONTACT BY PHONE OR CONVERSATION I ATTEMPTED TO HAVE WAS WITH HIM.

Q. AND YOU CALLED HIM BECAUSE HE CALLED YOU?

A. THAT IS CORRECT.

Q. IT WOULD BE FAIR TO SAY THAT YOU FELT HE WAS A GOOD PERSON TO CONTACT TO TRY TO GET SOME RESPONSE ON THIS LOAN?

A. THAT IS RIGHT. THE PREVIOUS INTEREST NOTICES THAT HAD GONE TO MRS. HANSEN HAD GONE UNANSWERED, IN EFFECT, SO, HE WAS THE FIRST ONE THAT MADE COMMUNICATION WITH US.

Q. IN FACT, MR. HENRY, YOUR BANK NEVER CHANGED ITS POSITION ON WHO WAS LIABLE ON THEIR LOAN BECAUSE OF THE FACT YOU TALKED TO CONGRESSMAN HANSEN ONCE OR TWICE, DID IT?

A. THE LOAN WAS TO CONNIE HANSEN.

MR. BRAGA: THE COURT'S INDULGENCE FOR A MINUTE, YOUR HONOR.

THE COURT: YES.

MR. BRAGA: NO FURTHER QUESTIONS YOUR HONOR.

THE COURT: ALL RIGHT. DO YOU HAVE ANY REDIRECT?

MR. COLE: VERY BRIEFLY, YOUR HONOR.

REDIRECT EXAMINATION

BY MR. COLE:

Q. IF I MAY LOOK AT THE EXHIBITS ONE MOMENT? MR. HENRY, YOU STATED THAT YOU CALLED CONGRESSMAN HANSEN, OR CONGRESSMAN HANSEN CALLED YOU ONLY ONE TIME, THAT IS CORRECT?

A. TO THE BEST OF MY RECOLLECTION THAT IS CORRECT.

Q. AND YOU CALLED HIM SEVERAL TIMES AFTER THAT?

A. YES.

Q. AND WHY DID YOU CALL HIM?

A. BECAUSE HE HAD MADE COMMUNICATION WITH THE BANK ABOUT THE LOAN. OBVIOUSLY, AT THAT POINT, WE WERE HAPPY TO RECEIVE PAYMENT FROM ANYONE, SO --

Q. MR. BRAGA JUST RECENTLY ASKED YOU INSOFAR AS WHO WOULD BE LIABLE ON THE LOAN SO FAR AS YOUR BANK WAS CONCERNED, AND I THINK YOU SAID CONNIE HANSEN. SO FAR AS YOUR BANK WAS CONCERNED, WHO WERE YOU GOING TO GET PAYMENT FROM ON THE LOAN?

A. THE NOTE WAS BASED INITIALLY ON THE CREDIT OF MR. HUNT, AND WE WERE FROM THE OUTSET LOOKING TO HIM SHOULD MRS. HANSEN FAIL TO MAKE PAYMENT.

Q. DIRECTING YOUR ATTENTION AGAIN TO THAT JANUARY FOURTH MEMO, I BELIEVE THAT IS GOVERNMENT'S EXHIBIT?

A. 17.

Q. 17. DIRECT YOUR ATTENTION TO THE LAST PARAGRAPH, THE SECOND TO THE LAST SENTENCE. WOULD YOU READ THAT SECOND TO THE LAST SENTENCE FOR THE JURY?

A. "I HAVE AGREED TO DO NOTHING UNTIL JANUARY 31, AT WHICH TIME GOODSON HAS SAID HE WILL GET BUNKER TO EITHER PAY INTEREST AND/OR THE NOTE. IN VIEW OF BUNKER'S GUARANTEE, I DO NOT BELIEVE THE LOAN SHOULD BE PLACED ON NONACCRUAL OR CHARGED OFF.".

Q. MR. HENRY, THAT CHECK THAT CONNIE HANSEN PAID THAT INTEREST IN JANUARY, I WOULD LIKE YOU TO LOOK AT THAT AGAIN. WHAT KIND OF AN ACCOUNT IS INDICATED ON THAT CHECK THAT IT COMES FROM?

A. IT IS A JOINT ACCOUNT. HONORBLE GEORGE V. HANSEN AND CONNIE S. HANSEN.

Q. THAT'S A JOINT ACCOUNT IN 1979?

A. CORRECT.

Q. ONE LAST QUESTION, MR. HENRY, IN ALL THE CONTACTS YOU HAD WITH CONGRESSMAN HANSEN CONCERNING THIS LOAN DID HE EVER SAY TO YOU IT WASN'T HIS LOAN, IT WAS HIS WIFE'S?

A. NOT TO MY RECOLLECTION.

Q. DID HE EVER AT ANY TIME MENTION TO YOU A PROPERTY SEPARATION AGREEMENT BETWEEN HE AND HIS WIFE?

A. NO.

Q. DID HE EVER AT ANY TIME MENTION THAT HE AND HIS WIFE HAD SEPARATEED THEIR PROPERTY AND HE WAS NOT LIABLE FOR HER DEBTS?

A. NO, HE DID NOT.

MR. COLE: THANK YOU VERY MUCH, MR. HENRY.

THE COURT: ANYTHING FURTHER?

MR. BRAGA: NO, YOUR HONOR.

THE COURT: MR. HENRY, YOU ARE EXCUSED. WE ASK THAT YOU STEP DOWN CAREFULLY, AND WE ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER PERSON UNTIL THE TRIAL IS CONCLUDED. I BELIEVE THERE ARE EXHIBITS UP HERE. RETRIEVE THEM BEFORE THE NEXT WITNESS, AND LET'S CALL THE NEXT WITNESS.

MR. COLE: THE GOVERNMENT WOULD CALL MIKE MARENICK.

MR. LEWIN: I WOULD APPRECIATE IT IF THIS CHART COULD

BE MOVED.

THE COURT: YOU MAY MOVE IT BACK.

MR. LEWIN: THERE ARE SOME CHARTS OVER THERE, BECAUSE IT CUTS OFF MY VIEW.

THE COURT: DO TELL US IF WE CUT YOUR VIEW OFF. WE CERTAINLY DON'T WANT TO DO SO. IS YOUR VIEW CUT-OFF NOW?

MR. LEWIN: NO, YOUR HONOR.

THE COURT: I TAKE IT WE DON'T HAVE A STIPULATION?

MR. COLE: NO, WE DO NOT, YOUR HONOR.

THE COURT: VERY WELL. COME AROUND HERE, PLEASE. THE OATH WILL BE ADMINISTERED.

WHEREUPON,

MICHAEL MARENICK

WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN ACCORDING TO LAW, WAS EXAMINED AND TESTIFIED AS FOLLOWS.

THE COURT: GOOD AFTERNOON, MR. MARENICK.

BY MR. COLE:

Q. MR. MARCH WOULD YOU PLEASE STATE YOUR FULL NAME AND SPELL YOUR LAST NAME?

A. MICHAEL A. MARENICK, (SPELLING) M A R E N I C K.

Q. SORRY FOR THE MISPRONUNCIATION. MR. MARENICK, WHERE DO YOU WORK?

A. I WORK FOR THE FIRST AMERICAN BANK OF VIRGINIA.

Q. HOW LONG HAVE YOU WORKED THERE?

A. WITH THE BANK WHICH IS A NEW ONE, SIX YEARS. I HAVE

BEEN WITH THE ASSOCIATED BANKS FOR 16.

Q. DID THE FIRST AMERICAN BANK EVER HAVE ANOTHER NAME?

A. IT DID.

Q. AND WAS WHAT WAS THAT NAME?

A. THERE WERE A COMBINATION OF 3 NAMES: ARLINGTON TRUST BANK AND TRUST COMPANY, AND ALEXANDRIA NATIONAL BANK OF VIRGINIA.

Q. WHAT ARE YOUR DUTIES AT THE PRESENT TIME AND YOUR POSITION WITH THE BANK?

A. I AM ASSISTANT VICE PRESIDENT, AND KEEPER OF THE RECORDS DESIGNATE.

Q. IN THAT CAPACITY, YOU ARE HERE TO TESTIFY ON BEHALF OF A SUBPOENA TO THE BANK?

A. I AM.

Q. MR. MARENICK, I WOULD LIKE TO SHOW YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 27-A.

MR. LEWIN: CAN I SEE IT? TO CLARIFY, YOUR HONOR, ALTHOUGH WE HAVE GOTTEN THESE RECORDS, WE DID NOT HAVE COPIES OF THE PREMARKED EXHIBITS.

THE COURT: YOU HAVE THE RECORDS; YOU JUST DON'T HAVE THEM WITH THE MARKINGS ON?

MR. LEWIN: WE DON'T KNOW WHICH EXHIBITS THEY ARE.

THE COURT: WE UNDERSTAND.

MR. COLE: I'LL SHOW THEM TO COUNSEL, YOUR HONOR.

THE COURT: VERY GOOD.

BY MR. COLE:

Q. MR. MARENICK, I SHOW YOU 27-A, WOULD YOU TELL US WHAT THAT IS?

A. THAT IS THE SIGNATURE ACCOUNT CARD.

Q. AND IS THAT FROM YOUR BANK?

A. IT IS.

Q. AND WHAT ACCOUNT DOGS IT RELATE TO?

A. THE HONORABLE GEORGE V. HANSEN OR CONNIE S. HANSEN.

Q. AND IS THAT A RECORD KEPT BY YOUR BANK IN THE NORMAL COURSE OF BUSINESS?

A. IT IS.

MR. COLE: YOUR HONOR, I WOULD MOVE 27-A INTO EVIDENCE.

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE WITHOUT OBJECTION.

(WHEREUPON, GOVERNMENT'S EXHIBIT 27-A WAS RECEIVED INTO EVIDENCE.)

BY MR. COLE:

Q. MR. MARENICK, WHEN WAS THAT ACCOUNT OPENED?

A. IT WAS OPENED 11/28/75.

Q. WHAT KIND OF ACCOUNT IS IT; IS IT JOINT, SINGLE; WHAT KIND OF ACCOUNT IS IT?

A. IT IS A JOINT CHECKING ACCOUNT.

Q TO YOUR KNOWLEDGE AND FROM YOUR REVIEW OF THE RECORDS OF YOUR BANK HAS THAT STATUS EVER CHANGED IN THE HISTORY OF THE ACCOUNT, IT BEING A JOINT ACCOUNT?

A. NEVER TO THE BEST OF MY KNOWLEDGE.

Q. IS THAT ACCOUNT STILL ACTIVE TODAY?

A. IT IS.

Q. AND IT IS A JOINT ACCOUNT OF GEORGE AND CONNIE HANSEN?

A. RIGHT.

Q. I WOULD NOW LIKE TO SHOW YOU WHAT HAS BEEN MARKED 27-B. I FIRST SHOW IT TO COUNSEL. COULD YOU TELL THE JURY, MR. MARENICK, WHAT 27-B IS?

A. IT IS A SUMMARY OF CHECKING ACCOUNT IN THE NAME OF HONORABLE GEORGE V. HANSEN AND CONNIE S. HANSEN.

Q. AND WHAT PERIOD OF TIME DOES THAT COVER?

A. THIS IS FOR THE MONTH OF 6-11-77 WHICH COVERS MAY AND JUNE OF 1977.

Q. THIS IS ALSO A RECORD KEPT IN THE NORMAL COURSE OF BUSINESS OF YOUR BANK?

A. IT IS.

MR. COLE: YOUR HONOR, I WOULD MOVE IT INTO EVIDENCE AT THIS TIME.

THE COURT: NO OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT 27-B WAS RECEIVED INTO EVIDENCE.)

BY MR. COLE:

Q. MR. MARENICK, IS THERE REFLECTED IN THAT STATEMENT A

DEPOSIT ON THE 28TH OF MAY OF THAT YEAR?

A. YES.

Q. AND COULD YOU TELL THE JURY HOW MUCH THAT DEPOSIT IS FOR?

A. IT IS FOR 44 THOUSAND FIVE HUNDRED DOLLARS.

MR. COLE: YOUR HONOR, I AM NOW SHOWING 27-C TO COUNSEL.

BY MR. COLE:

Q. MR. MARENICK, I AM NOW HANDING YOU 27-C. COULD YOU TELL THE JURY WHAT 27-C IS?

A. IT IS A COPY OF THE DEPOSIT TICKET IN THE NAME OF HONORABLE GEORGE V. HANSEN AND MRS. CONNIE S. HANSEN, AND ALSO A COPY OF A CHECK DRAWN ON FIRST NATIONAL BANK OF DALLAS; IT'S A CASHIER'S CHECK.

Q. ARE THESE ALSO KEPT IN THE NORMAL COURSE OF BUSINESS OF YOUR BANK?

A. THEY ARE.

MR. COLE: YOUR HONOR, I WOULD MOVE 27-C INTO EVIDENCE.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT 27-C WAS RECEIVED INTO EVIDENCE.)

BY MR. COLE:

Q. MR. MARENICK, WOULD YOU TELL THE JURY THE DATE UPON WHICH THAT DEPOSIT WAS MADE?

A. IT WAS MADE ON MAY 28, 1977.

Q. HOW MUCH IS THE CASHIER'S CHECK FOR?

A. IT IS FOR 50 THOUSAND DOLLARS.

Q IS THERE ANY INDICATION ON THE DEPOSIT SLIP THAT THERE WAS ANY CASH WITHDRAWN?

A. YES, IT IS WHAT IS KNOWN AS A SPLIT DEPOSIT. THE AMOUNT OF DEPOSIT; IT IS 50 THOUSAND DOLLARS, THAT IS, CASH OUT OF THE 50, FIVE HUNDRED DOLLARS, FOR A TOTAL DEPOSIT OF 44 THOUSAND FIVE HUNDRED DOLLARS.

Q. WHEN THERE IS CASH OUT LIKE THAT, MR. MARENICK, WHAT HAPPENS TO THE CASH, DOES THAT GO TO THE CUSTOMER?

A. YES.

MR. COLE: YOUR HONOR, I AM NOW SHOWING COUNSEL, EXHIBIT 27-E.

BY MR. COLE:.

Q. MR. MARENICK, I AM NOT SURE I HEARD YOU. HOW MUCH WAS THAT CASHIER'S CHECK FOR DEPOSIT?

A. 50 THOUSAND DOLLARS.

Q. I'LL NOW SHOW YOU GOVERNMENT EXHIBIT 27-E, MADE UP OF SEVERAL ITEMS. ARE ALL OF THOSE ITEMS THAT YOU SEE THERE KEPT IN THE NORMAL COURSE OF BUSINESS IN YOUR BANK?

A. THEY ARE.

Q. AND DO THEY RELATE TO THE ACCOUNT WE ARE SPEAKING OF?

A. THEY DO.

Q. WOULD YOU BRIEFLY DESCRIBE WHAT THEY ARE?

A. IT IS DEPOSIT TICKET IN THE AMOUNT OF 61 HUNDRED 65 DOLLARS AND 50 CENTS COMPOSED OF TWO CHECKS, ONE FOR 40 DOLLARS AND 50 CENTS.

THIS ONE HERE IS FOR 40 THOUSAND DOLLARS.

Q. NO, THAT I BELIEVE IS A DIFFERENT ITEM FROM THE DEPOSIT TICKET. IF YOU LOOK BEHIND THE DEPOSIT TICKET AS WELL, I THINK THERE IS ANOTHER ITEM.

A. YES, THERE IS A CHECK HERE FOR 61, SIX THOUSAND ONE HUNDRED AND 25 DOLLARS. SORRY ABOUT THAT.

Q. AND THAT CHECK FOR SIXTY-ONE TWENTY-FIVE IS PART OF THE DEPOSIT?

A. IT IS.

Q. NOW, THERE IS ANOTHER CHECK WITH 27-E. IS THAT A CHECK GOING OUT OF YOUR BANK?

A. YES.

Q. AND THAT IS FOR HOW MUCH?

A. 40 THOUSAND DOLLARS.

MR. COLE: YOUR HONOR, I WOULD MOVE 27-E, INTO EVIDENCE AT THIS TIME.

MR. LEWIN: I JUST ASK THE WITNESS A QUESTION. WHAT IS THAT YELLOW LITTLE SLIP OF PAPER?

THE WITNESS: IT IS INDICATION FROM OUR RESEARCH DEPARTMENT THAT CHECK FOR 40 DOLLARS AND 57 CENTS DRAWN ON UNION TRUST COMPANY OF D C WAS NOT AVAILABLE BECAUSE THE FILM WAS BROKEN AND LOST.

MR. LEWIN: AND HOW DO YOU KNOW IT WAS DRAWN ON THE UNION TRUST OF D C?

THE WITNESS: FROM RECORDS INVOLVED IN THE RESEARCH. WE WERE ABLE TO ASCERTAIN IT BUT WE WERE NOT ABLE TO PHOTOGRAPH THE ACTUAL ITEM.

MR. LEWIN: SO, THAT DOCUMENT, ITSELF, IS NOT PART OF THE BANK'S RECORDS?

THE WITNESS: IT IS JUST A PENCIL NOTATION.

THE COURT: NO OBJECTION?

MR. LEWIN: NO OBJECTION. I JUST WANT THE RECORD TO BE CLEAR THAT IT IS NOT A BANK RECORD.

THE COURT: THANK YOU. IS IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT NO. 27-E WAS RECEIVED INTO EVIDENCE.)

BY MR. COLE:

Q. MR. MARENICK, WOULD YOU TELL US WHO THE 40 THOUSAND DOLLARS CHECK IS TO?

A. IT IS PAYABLE TO MITCHELL HUTCHINS, INCORPORATED.

Q. AND WHO SIGNED THE CHECK

A. CONNIE S. HANSEN.

Q. AND THE 61 HUNDRED AND SOME ODD DOLLAR CHECK THAT WAS DEPOSITED, WHERE IS THAT FROM?

A. THAT IS FROM MITCHELL HUTCHINS, INCORPORATED.

Q. AND WHO IS IT TO?

A. CONNIE S. HANSEN.

Q. AND THE DATE OF THE CHECK FROM MITCHELL HUTCHINS?

A. FIVE, 31, 77.

Q. AND THE DATE OF THE DEPOSIT, SIR?

A. 6, 3, 77.

Q. AND THE DATE OF THE CHECK FROM MRS. HANSEN TO MITCHELL HUTCHINS?

A. MAY 27, 1977.

MR. COLE: YOUR HONOR, I AM NOW SHOWING EXHIBIT 27-D TO COUNSEL.

MR. LEWIN: YOUR HONOR, I HATE TO DO THIS BUT WE WERE NOT TOLD IN ADVANCE WHICH EXHIBITS WERE TO BE USED OUT OF THIS ENTIRE SELECTION IN TERMS OF THE EXAMINATION OF THIS WITNESS. I WOULD LIKE TO BE ABLE TO CORRELATE THIS WITH THIS STACK OF CHECKS I HAVE HERE.

THE COURT: GO AHEAD. WE ARE SITTING HERE PATIENTLY. GO AHEAD.

MR. LEWIN: YOUR HONOR IN THE INTEREST OF SAVING THE COURT'S TIME, I'LL ACCEPT THE GOVERNMENT'S REPRESENTATION. THEY TELL ME THAT ALL OF THESE CHECKS THAT THEY ARE NOW SHOWING ME WERE IN THAT COLLECTION OF CHECKS THAT THEY GAVE ME COPIES OF.

THE COURT: MR. COLE?

MR. COLE: ABSOLUTELY, YOUR HONOR. THEY WERE PART OF THE PRODUCTION.

THE COURT: THANK YOU.

BY MR. COLE:

Q. MR. MARENICK, I SHOW A GROUP OF CHECKS WHICH HAVE BEEN MARKED EXHIBIT 27-D, AND ASK YOU IF YOU WOULD QUICKLY LOOK THROUGH THOSE; AND TELL ME WHETHER OR NOT THOSE WERE CHECKS WRITTEN ON YOUR BANK, AND ARE RECORDS KEPT IN THE COURSE OF YOUR BANK'S BUSINESS?

A. THEY ARE.

MR. COLE: YOUR HONOR, I WOULD MOVE THEM INTO EVIDENCE AT THIS TIME.

THE COURT: WITHOUT OBJECTION?

MR. LEWIN: I HAVE NO OBJECTION. I WONDER WHETHER THE GOVERNMENT HAS IN THAT FORM THE REMAINING --

THE COURT: THANK YOU, MR. LEWIN. YOU WANT TO APPROACH THE BENCH ON SOME OTHER MATTER?

MR. LEWIN: YES.

AT THE BENCH:

THE COURT: I ASSUME IT IS A MINISTERIAL THING.

MR. COLE: WE DO HAVE ALL OF THE OTHER CHECKS HERE AND THEY ARE AVAILABLE.

THE COURT: AND THERE ARE TWO OTHER COUNSEL AT THE TABLE, PERHAPS, THEY COULD DO SOME LOGGING TO SAVE TIME. I APPRECIATE MR. LEWIN'S SITUATION AND APPRECIATE THE COUNSEL HAVING COPIES HERE, AND PERHAPS YOU CAN GO AHEAD WITH MR. CAMPBELL AND MR. BRAGA DOING IT.

IN OPEN COURT:

MR. COLE: YOUR HONOR, AT THIS TIME, THE GOVERNMENT MOVES 27-D INTO EVIDENCE.

THE COURT: I TAKE IT THAT IS WITHOUT OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT NO.27-D WAS RECEIVED INTO EVIDENCE.)

BY MR. COLE:

Q. MR. MARENICK, WOULD YOU PLEASE READ FOR THE JURY THE DATES OF THOSE CHECKS, THE AMOUNTS, WHO THEY ARE MADE OUT TO, AND WHO SIGNED THEM?

A. I HAVE A CHECK DATED APRIL 1, 1977, IN THE AMOUNT OF 98 HUNDRED DOLLARS, PAYABLE TO GEORGE HANSEN, AND SIGNED, G. V. HANSEN.

ANOTHER CHECK DATED MAY THIRD, IN THE AMOUNT OF 95 HUNDRED DOLLARS, PAYABLE TO GEORGE HANSEN, AND SIGNED, G. V. HANSEN.

I HAVE A CHECK DATED 5, 30, 77 IN THE AMOUNT OF 70 DOLLARS AND 42 CENTS, PAYABLE TO AVIS, SIGNED, G. V. HANSEN.

I HAVE A CHECK DATED JUNE 22, 1977, IN THE AMOUNT OF 4 THOUSAND DOLLARS, PAYABLE TO GEORGE HANSEN, SIGNED, G. V. HANSEN.

I HAVE A CHECK DATED JUNE 3, 1977. MADE OUT TO BOYCE & LEWIS, INCORPORATED, IN THE AMOUNT OF $136.00. SIGNED, G. V. HANSEN.

CHECK DATED MAY 31, 1977, IN THE AMOUNT OF 35 HUNDRED DOLLARS, PAYABLE TO GEORGE HANSEN, SIGNED, G. V. HANSEN.

CHECK DATED APRIL 29, 1977, IN THE AMOUNT OF 96 HUNDRED DOLLARS, PAYABLE TO GEORGE HANSEN, SIGNED G. V. HANSEN.

CHECK DATED 6, 11, 77, IN THE AMOUNT OF TWO HUNDRED DOLLARS PAYABLE TO CASH, SIGNED, G. V. HANSEN.

AND A CHECK DATED JUNE 4, 1977, IN THE AMOUNT OF 15 DOLLARS AND 36 CENTS, PAYABLE TO WHAT APPEARS TO BE HIGH HAT CLEANERS, AND SIGNED, CONNIE S. HANSEN.

MR. COLE: THANK YOU, MR. MARENICK. NO FURTHER QUESTIONS AT THIS TIME, YOUR HONOR.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. I AM SORRY. IT IS MR. MARENICK?

A. MARENICK.

Q. THE CHECKS THAT YOU HAVE JUST READ. I MISSED THE ONE OF JUNE 3RD, 1977. WHAT WAS THAT? DO YOU REMEMBER IT? DO YOU HAVE THAT BEFORE YOU?

A. YES. IT IS DATED 3, JUNE, 1977.

Q. YES, AND WHAT IS IT?

A. IT IS PAYABLE TO BOYCE-LEWIS, INCORPORATED, AND THE AMOUNTS A HUNDRED AND 36 DOLLARS.

Q. ALL RIGHT. MR. COLE SPECIFICALLY DIRECTED YOUR ATTENTION ON THAT PRIOR EXHIBIT, WHICH WAS THE BANK STATEMENT

TO THE DATE OF MAY 28, 1977, WHEN THE DEPOSIT WAS MADE OF 44 THOUSAND FIVE HUNDRED DOLLARS, DO YOU RECALL THAT?

A. THAT IS CORRECT.

Q. AND TO THE CHECK IN THAT AMOUNT, THE CASHIER'S CHECK IN THAT AMOUNT?

A. YES.

Q. IF YOU WILL SEGREGATE OUT FROM THE CHECKS YOU HAVE BEFORE YOU ONLY THE CHECKS THAT ARE AFTER MAY 28, 1977?

A. THE CHECKS AFTER MAY 28?

Q. ONLY AFTER MAY 28, 1977, YES, PLEASE. YOU HAVE ELIMINATED FROM YOUR STACK THEN, 3 CHECKS, IS THAT CORRECT? IF YOU HAVE TAKEN ONLY THOSE AFTER MAY 28, 1977. YOU HAVE ELIMINATED. YOU HAVE PUT ASIDE 3 CHECKS, I THINK. WE ARE TALKING ABOUT AFTER MAY 28, 1977.

MR. COLE: I DON'T THINK THE WITNESS IS SURE WHICH QUESTION HE IS BEING ASKED. WHICH PILE IS AFTER MAY 28, I THINK IS UNCLEAR AT THIS TIME.

THE COURT: ALL RIGHT. IF YOU COULD MAKE IT A LITTLE CLEARER.

MR. LEWIN: ALL RIGHT.

BY MR. LEWIN:

Q. WE HAVE A TOTAL OF 1,2,3,4,5,6,7,8,9 CHECKS ALTOGETHER, IS THAT RIGHT, THAT THE GOVERNMENT GAVE YOU?

A. RIGHT. SIX AND 3.

Q. IF YOU TAKE ONLY THE CHECKS AFTER MAY 28, 1977, YOU

HAVE ELIMINATED 3 OF THOSE NINE, IS THAT RIGHT? THERE WERE 3 CHECKS PRIOR TO MAY 28, 1977?

A. THAT IS CORRECT.

Q. ALL RIGHT. THAT IS ALL I WANTED. THOSE 3 CHECKS ARE IN FACT THE LARGEST CHECKS IN THAT BUNCH, THE CHECK OF APRIL 1, FOR 9 THOUSAND 8 HUNDRED DOLLARS, IS THAT CORRECT?

A. THAT IS CORRECT.

Q. THE CHECK FOR 9 THOUSAND FIVE HUNDRED DOLLARS AS OF MAY THIRD?

A. THAT IS CORRECT.

Q. AND THE CHECK OF 9 THOUSAND 6 HUNDRED DOLLARS AS OF APRIL 27, 1977?

A. THAT IS CORRECT.

Q. ALL RIGHT. SO THAT IF ONE WERE TO SAY WHAT CHECKS WERE DRAWN AGAINST MONIES THAT WERE DEPOSITED ON MAY 28, 1977, IT IS FAIR TO SAY THAT THOSE 3 CHECKS WERE NOT DRAWN AGAINST THE MAY 28, 1977, DEPOSIT, IS THAT CORRECT?

A. THAT IS CORRECT.

Q. AND WHAT IS LEFT ADDS UP TO APPROXIMATELY UNDER 8 THOUSAND DOLLARS, ISN'T THAT RIGHT? THERE IS A CHECK FOR MAY OF 1977, FOR 35 HUNDRED DOLLARS, AND A CHECK IN JUNE OF' 77 FOR FOUR THOUSAND DOLLARS?

A. THAT IS CORRECT.

Q. ALL RIGHT. THANK YOU. LET ME PLACE BEFORE YOU, SIR. MAYBE YOU BETTER SPELL YOUR NAME?

A. I SPELL IT M A R E N I C K.

Q. THANK YOU, MR. MARENICK, I AM SORRY. LET ME PLACE BEFORE YOU 3 OTHER DOCUMENTS FROM THIS PILE WHICH THE GOVERNMENT DID NOT SHOW YOU OR HAVE YOU IDENTIFY, AND ASK YOU WHETHER -- I AM SORRY. LET ME MARK THEM.

MR. COLE: MAY I SEE WHICH ONES THEY ARE?

THE COURT: OF COURSE. DEFENDANT'S NO. 10?

BY MR. LEWIN.

Q. BEFORE I SHOW YOU THOSE, LET ME SHOW YOU OTHER DOCUMENTS BESIDES THOSE 3. WELL, LET ME JUST MAKE A STACK OF THESE. LET ME JUST MAKE IT A COLLECTIVE EXHIBIT.

MR. LEWIN: 43 CHECKS.

THE COURT: ARE THESE TO BE MARKED DEFENDANT'S EXHIBIT NUMBER 10?

MR. LEWIN: YES. MAKE IT 42 CHECKS.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT NO. 10 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE 42 CHECKS WERE MARKED DEFENDANT'S EXHIBIT NO. 10 FOR IDENTIFICATION.)

MR. COLE: YOUR HONOR, MAY WE KNOW WHAT IT IS THAT HE SHOWED THE WITNESS RIGHT NOW?

THE COURT: SURELY.

BY MR. LEWIN.

Q. I SHOW YOU WHAT HAS BEEN MARKED AS DEFENDANT'S

COLLECTIVE EXHIBIT NUMBER 10.

THE COURT: IS THERE A QUESTION BEFORE THE WITNESS?

MR. LEWIN: YES. THE WITNESS IS LOOKING AT THEM, I THINK.

THE COURT: PERHAPS IF YOU ASKED THE QUESTION, HE WOULD KNOW WHAT HE IS LOOKING FOR.

BY MR. LEWIN.

Q. WELL, ARE THESE ALL CHECKS, RECORDS, PHOTOSTATS OF THE CHECKS DRAWN ON YOUR BANK, AND ON THAT SAME ACCOUNT?

A. THEY ARE.

Q. AND THEY ARE, ARE THEY NOT, ALL CHECKS SIGNED BY CONNIE S. HANSEN?

A. TO THE BEST OF MY REVIEW, THEY ARE.

Q. AND DURING THE SAME PERIOD OF TIME COVERED BY THAT BANK STATEMENT?

A. THEY GO BEYOND THE STATEMENT CUT-OFF.

Q. THEY GO BEYOND? HOW MANY OF THEM GO BEYOND THE STATEMENT CUT-OFF?

THE COURT: WOULD COUNSEL HAVE ANY OBJECTION IF THE WITNESS CONTINUES COUNTING WHILE WE HAVE A CONFERENCE AT THE BENCH? YOU WOULDN'T MIND TAKING THOSE MATTERS DOWN THERE WITH YOU, WOULD YOU, SIR?

AT THE BENCH:

MR. COLE: IF MR. LEWIN WANT TO INTRODUCE ALL OF THE ITEMS COVERED IN THE STATEMENT WE INTRODUCED, WE HAVE TO OBJECT

TO THAT. PERHAPS HE CAN DO THAT AND PERHAPS WE CAN SAVE TIME BY JUST AGREEING THAT CAN BE DONE AND CLEARING THE MATTER AT ANOTHER TIME.

THE COURT: BUT EVEN SO, THE WITNESS SAYS THAT THERE ARE SOME BEYOND THE STATEMENT DATE. IF THOSE WERE REMOVED, WOULD THAT BE AGREEABLE?

MR. LEWIN: YES. I THINK THE WITNESS IS COUNTING THEM UP NOW. I JUST TOOK THE STACK THE GOVERNMENT GAVE ME.

THE COURT: THE QUESTION IS: IF THE WITNESS DELETES THOSE MATTERS THAT ARE NOT WITHIN THE STATEMENT PERIOD OF TIME WOULD YOU HAVE ANY OBJECTION TO THE ENTIRETY OF THE OTHERS COMING INTO EVIDENCE?

MR. LEWIN: I DON'T KNOW. I WOULD LIKE TO SEE WHAT HAPPENS WHEN HE SEGREGATES THEM OUT. I AM NOT SURE I AM OFFERING THEM IN EVIDENCE. THE POINT OF THE EXAMINATION, YOUR HONOR, SIMPLY IS THE GOVERNMENT PRODUCED ESSENTIALLY 6 CHECKS OF WHICH FIVE WERE -- THE GOVERNMENT PRODUCED NINE CHECKS. BUT 3 WERE CLEARLY BEFORE THE DEPOSIT. AND THE ONES FOR THAT PERIOD --

THE COURT: EXCUSE ME. THE DEPOSIT WAS WHAT DATE? WE HAVE ONE MAY 30, ONE ON THE THIRD, ONE ELEVENTH AND ONE JUNE FOURTH. WE HAVE FOUR CHECKS, DO WE NOT? MAY HAVE TAKEN DOWN THE WRONG DATES.

MR. LEWIN: I THOUGHT WE HAD SIX.

THE COURT: I THOUGHT THEY WERE FOUR AND FIVE.

MR. LEWIN: ALL RIGHT. THE POINT JUST IS THAT THERE ARE A NUMBER OF CHECKS THAT WERE SIGNED BY MRS. HANSEN, AND THAT IS THE POINT THAT I AM TRYING TO GET THIS ONTO THE RECORD SO I DON'T NEED THE CHECKS.

THE COURT: I THINK WE ALL UNDERSTAND THE POINT. DO YOU HAVE OBJECTION IF THIS WITNESS CONFINES IT TO THE SAME STATEMENT PERIOD THAT HAS BEEN UNDER DISCUSSION FOR WHICH WE HAVE EXHIBITS IN EVIDENCE AND THE ENTIRETY OF THEM COME IN EVIDENCE?

MR. LEWIN: I AM NOT SUGGESTING THAT I OFFER THEM IN EVIDENCE. I JUST WANT THE NUMBER.

THE COURT: LET'S SEE IF HE CAN GET THE NUMBER AND MOVE ALONG. WE JUST WANT TO EXPEDITE IT IF WE CAN.

IN OPEN COURT:

THE COURT: NOW, IF YOU WOULD REPEAT THE QUESTION, MR. LEWIN.

MR. LEWIN: YES, YOUR HONOR.

BY MR. LEWIN:

Q. NOW, HOW MANY OF CHECKS THAT I PLACED BEFORE YOU ARE ON THAT PERIOD COVERED BY THE STATEMENT WHICH I GATHER, WHAT, MAY AND JUNE OF'77? THAT IS THE PERIOD OF THE STATEMENT?

A. THAT IS IN FACT THE TIME. YOUR QUESTION IS WHAT? HOW MANY CHECKS?

Q. YES, THOSE THAT I PLACED BEFORE YOU WERE WITHIN THAT PERIOD OF TIME?

A. 21.

Q. AND THEY ARE ALL SIGNED BY CONNIE HANSEN?

A. YES.

Q. ALL RIGHT. SO, THE GOVERNMENT HAD PLACED BEFORE YOU ORIGINALLY A TOTAL OF 9 CHECKS OF WHICH 8 WERE SIGNED BY CONGRESSMAN HANSEN, AND ONE BY MRS. HANSEN. IN FACT, THERE WERE 21 OTHER CHECKS THAT YOU HAVE NOW IDENTIFIED IN THAT PERIOD OF TIME THAT WAS SIGNED BY MRS. HANSEN, IS THAT CORRECT?

A. THAT IS CORRECT.

MR. LEWIN: I HAVE NO FURTHER QUESTION, THANK YOU.

THE COURT: ANYTHING FURTHER?

MR. COLE: NO FURTHER. WELL, NO FURTHER QUESTIONS. YOUR HONOR, I WOULD REQUEST THAT I BE ALLOWED TO PUT TWO MORE ENTRIES ON THE CHART AS A RESULT OF THIS WITNESS' TESTIMONY.

THE COURT: ALL RIGHT. BUT, SO FAR AS THIS WITNESS IS CONCERNED, HE MAY BE EXCUSED?

MR. COLE: YES, YOUR HONOR.

THE COURT: ALL RIGHT. SIR, YOU ARE EXCUSED. HAVE A GOOD DAY. PLEASE DO NOT DISCUSS ANY OF THE MATTERS YOU HAVE TESTIFIED TO WITH ANY OTHER POTENTIAL WITNESS UNTIL THE MATTER IS OVER.

(WITNESS EXCUSED).

MR. COLE: YOUR HONOR, AT THIS TIME, I WOULD LIKE TO PUT THE LAST TWO ENTRIES ON THE CHART WHICH WE HAVE BEEN BUILDING. THE CHART IS GOVERNMENT EXHIBIT 8-A.

WHEREUPON,

LESLIE MING

WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS.

THE COURT: GOOD AFTERNOON.

MR. COLE: I AM DONE, YOUR HONOR, I WOULD ASK AT THIS TIME, WE ADMIT THIS INTO EVIDENCE.

THE COURT: SUBJECT TO THE SAME MATTER, MR. LEWIN?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: ALL RIGHT. OVER OBJECTION, IT IS IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT 8-A WAS RECEIVED INTO EVIDENCE.)

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. YOUR NAME, SIR?

A. LESLIE L. MING.

Q. AND FOR THE RECORD, SPELL YOUR LAST NAME.

A. M I N G.

Q. MR. MING, WHERE DO YOU LIVE, SIR?

A. OKLAHOMA CITY.

Q. HOW ARE YOU EMPLOYED?

A. SELF-EMPLOYED.

Q. AND WHAT DO YOU DO FOR A LIVING?

A. I AM A REGISTERED INVESTMENT ADVISOR WITH THE SECURITY

AND EXCHANGE COMMISSION. AND I AM AN N A S D BROKER-DEALER.

Q. MR. MING, WHAT DO THOSE INITIALS STAND FOR?

A. NATIONAL ASSOCIATION OF SECURITY DEALERS. I AM A FORMER. -- I HAVE A FIRM CALLED MING COMMODITY SERVICES WHICH IS FORMALLY A " C F T C " FIRM.

Q. MR. MING, SOME OF US ARE NOT FAMILIAR WITH THE NOMENCLATURE. WHAT IS CFTC?

A. COMMODITIES FUTURES TRADING COMMISSION.

I AM FORMERLY A REGISTERED COMMODITY ADVISOR. I AM FORMERLY A REGISTERED COMMODITY POOL OPERATOR.

Q. HOW LONG HAVE YOU SOLD, HOW LONG HAVE YOU BEEN A COMMODITIES OR SECURITIES BROKER?

A. SINCE MARCH, 1965.

Q. AND HAS IT ALWAYS BEEN IN OKLAHOMA CITY?

A. YES.

Q. MR. MING, DO YOU KNOW A GENTLEMAN NAMED NELSON BUNKER HUNT?

A. I DO.

Q. AND HOW LONG HAVE YOU KNOWN HIM?

A. 37 YEARS.

Q. AND WHEN DID YOU FIRST MET HIM?

A. IN SPRING OF 1947.

Q. AND WOULD THAT BE AT THE UNIVERSITY?

A. SOUTHERN METHODIST UNIVERSITY.

Q. IS HE A FRIEND OF YOURS?

A. HE IS A BUSINESS ASSOCIATE.

YES.

Q. AND WHEN DID YOUR BUSINESS RELATIONSHIP WITH HIM FIRST DEVELOP?

A. SAY IT AGAIN.

Q. WHEN DID YOUR BUSINESS RELATIONSHIP WITH MR. HUNT BEGIN?

A. IN 1967-68.

Q. IN WHAT CAPACITY?

A. IN THE SECURITIES AREA.

Q. AND HOW LONG DID YOUR BUSINESS RELATIONSHIP WITH HIM CONTINUE?

A. IT CONTINUED UP UNTIL MARCH OF 1980.

Q. AND IS IT FAIR TO SAY FOR THOSE 12 YEARS FROM 1968 UNTIL 1980, YOU SERVED AS A BROKER FOR MR. HUNT?

A. THAT'S CORRECT.

Q. AND DID YOU ALSO DEVELOP A BUSINESS RELATIONSHIP WITH OTHER MEMBERS OF THE HUNT FAMILY?

A. THAT IS CORRECT.

Q. AND WHAT MEMBERS WOULD THEY BE?

A. HOUSTON HUNT.

Q. WHO WOULD HE BE IN RELATION TO NELSON BUNKER HUNT?

A. BUNKER'S SON. ELLEN HUNT FLOWERS, HIS DAUGHTER, MARY --

Q. MAYBE I CAN CUT THROUGH THIS. HIS CHILDREN?

A. THESE ARE ALL HIS CHILDREN. YES.

AND HERBERT HUNT.

Q. AND HERBERT HUNT WOULD BE HIS BROTHER?

A. YES, TO A LIMITED EXTENT.

Q. WOULD IT BE FAIR TO SUMMARIZE THAT FOR THE 12 YEARS YOU SERVED AS BROKER, YOU ALSO HAD A BUSINESS RELATIONSHIP WITH NELSON BUNKER HUNT'S CHILDREN AND NELSON BUNKER HUNT'S BROTHER, IS THAT CORRECT?

A. AMONG OTHERS, THAT IS CORRECT.

Q. NOW, DIRECTING YOUR ATTENTION TO AROUND JANUARY OF 1979, WERE YOU SERVING AS A COMMODITIES BROKER FOR NELSON BUNKER HUNT AT THAT TIME?

A. I HAD A FIRM, MING COMMODITY SERVICES AND I WAS DOING BUSINESS WITH BUNKER HUNT AT THAT TIME.

Q. I KNOW IT IS DIFFICULT TO RELATE BACK TO 1979, BUT CAN YOU ESTIMATE WHAT PERCENTAGE OF YOUR BUSINESS AT THAT TIME WAS HUNT-RELATED?

A. IN MING COMMODITY SERVICES, IT WAS PROBABLY CLOSE TO A HUNDRED PER CENT, 90 TO A HUNDRED PER CENT.

Q. YOU RECALL BACK IN JANUARY OF 1979 IF YOU WERE BUYING ONE PARTICULAR COMMODITY FOR NELSON BUNKER HUNT, OR WERE THERE MANY COMMODITIES, WERE YOU SPECIALIZING IN ANY ONE?

A. WELL, WE PURSUED INVESTMENTS WHERE THE OPPORTUNITIES LIE.

Q. AND DIRECTING YOUR ATTENTION TO JANUARY?

A. AT THAT PARTICULAR TIME, WE WERE BUYING, OR, WE WERE

INTERESTED IN SILVER.

Q. O. K. IT IS FAIR TO SAY THAT DURING YOUR HISTORY WITH MR. HUNT, YOU BOUGHT OTHER COMMODITIES FOR HIM AS WELL?

A. OH, YES, WE HAVE BEEN INVOLVED IN VIRTUALLY ALL COMMODITIES.

Q. BUT IN JANUARY 1979, YOU WERE PRIMARILY INTERESTED IN BUYING SILVER?

A. AS I RECALL THAT'S BYE AND LARGE CORRECT.

Q. DO YOU KNOW GEORGE VERNON HANSEN, THE GENTLEMAN SEATED AT COUNSEL TABLE HERE?

A. I MET HIM THE OTHER MORNING.

Q. PRIOR TO THIS MORNING HAD YOU EVER MET HIM?

A. NO.

Q. PRIOR TO JANUARY 16, 1979, HAD YOU EVER EVEN HEARD OF HIM?

A. NO.

Q. WHAT ABOUT HIS WIFE, CONNIE HANSEN? PRIOR TO JANUARY 16, 1979, HAD YOU EVER HEARD OF HER?

A. NO.

Q. HAD YOU EVER MET HER?

A. NO.

Q. HAVE YOU MET HER TO THIS DAY?

A. NO.

Q. NOW, DIRECTING YOUR ATTENTION TO JANUARY, 1979, DID YOU HAVE A ROUTINE WITH MR. HUNT, AS FAR AS YOUR BUSINESS

RELATIONSHIP WITH HIM? AND, BY THAT I MEAN THE KIND OF COMMUNICATION YOU WOULD HAVE WITH MR. HUNT ON A GIVEN DAY?

A. YES, I DID.

Q. AND WOULD YOU EXPLAIN THAT, PLEASE?

A. I WOULD ARRIVE AT MY OFFICE APPROXIMATELY 8:15 TO 8:30. I WOULD NOTE THE SILVER STOCK, WAREHOUSE STOCKS.

Q. JUST SO WE ARE CLEAR ON THIS, OF COURSE, YOU LIVE IN OKLAHOMA CITY?

A. THAT IS RIGHT.

Q. AND YOUR OFFICE IS IN OKLAHOMA CITY?

A. THAT IS RIGHT.

Q. AND MR. NELSON BUNKER HUNT LIVES IN?

A. DALLAS. I WOULD NOTE THE WAREHOUSE STOCKS PRIMARILY ON THE COMMODITIES EXCHANGE WHICH IS NEW YORK. I WOULD MAKE A NOTE OF THE LONDON GOLD FIX. I WOULD CONTACT CARGILL INVESTORS' SERVICES WHICH IS A FIRM I CLEARED THROUGH.

Q. MR. MING, NOT EVERYONE UNDERSTANDS THAT PROCESS. SPELL CARGILL?

Q CARGILL.

Q. WHAT DOES IT MEAN TO CLEAR THROUGH SOMEONE?

A. I AM A REGISTERED COMMODITY REPRESENTATIVE, AND I AM REGISTERED WITH THE CFTC, AND THAT ENABLES ME TO CLEAR THROUGH A MEMBER FIRM IF WE HAVE AN AGREEMENT, WHICH I DID AT THAT TIME HAVE AN AGREEMENT WITH CARGILL.

Q. JUST TO SUMMARIZE, IS IT FAIR TO SAY FOR YOU TO

CONDUCT BUSINESS ON ONE OF THE BOARD OF TRADES, YOU NEED A CLEARING HOUSE.

A. THAT'S CORRECT. I WAS NOT A MEMBER OF THE VARIOUS EXCHANGES. CARGILL ENABLEDED ME TO TRADE ON THESE VARIOUS EXCHANGES. THAT IS A COMMON ARRANGEMENT THAT VARIOUS MEMBERS OF FIRMS HAVE WITH VARIOUS BROKERS AROUND THE COUNTRY.

Q. PLEASE CONTINUE?

A. WHERE DID I LEAVE OFF? GOLD -- THE LONDON GOLD FIX, WAREHOUSE STOCKS. I WOULD BE IN CONTACT WITH CARGILL REGARDING ANY VARIATION REQUIREMENTS FOR THE ACCOUNTS IN QUESTION.

VARIATION MEANS WHETHER THE ACCOUNT MADE MONEY THE DAY BEFORE, OR LOST MONEY THE DAY BEFORE, AND GENERAL INFORMATION OF THAT NATURE.

I WOULD BE CHECKING THE FLOOR OF THE EXCHANGE. AT THAT TIME, I BELIEVE THE MARKET OPENED 20 MINUTES TO NINE, 8:40.

Q. OKLAHOMA TIME OR NEW YORK?

A. OKLAHOMA TIME. I WOULD GET A PICTURE OF THE MARKET.

Q. WHAT WOULD YOU DO WITH ALL THIS INFORMATION THAT YOU WERE ACCUMULATING?

A. I WOULD DISTILL IT, ANALYZE IT, EVALUATE IT.

Q. AND THEN YOU WOULD HAVE CONTACT WITH MR. HUNT?

A. THEN I WOULD CONTACT BUNKER AND RELATE THIS TO HIM.

Q AND THAT WAS IN YOUR CAPACITY, OF COURSE, AS HIS BROKER?

A. THAT IS RIGHT.

Q. DO YOU RECALL AS YOU SIT HERE WHEN YOU MAY HAVE CALLED MR. BUNKER HUNT'S ON JANUARY 16, 1979?

A. YOU HAVE A LOG OF MY -- NOTATION OF NOT EVERYTHING I DID BUT A GOOD MANY THINGS.

Q. WOULD THAT HELP YOU RECALL IT FOR US?

A. IT WOULD.

MR. WEINGARTEN: STIPULATION NUMBER FIVE. IT IS HEREBY AGREED AND STIPULATED BETWEEN THE UNITED STATES AND THE DEFENDANT, GEORGE V. HANSEN, THAT THE ATTACHED TELEPHONE RECORDS OF LESLIE L. MING ARE AUTHENTIC RECORDS.

THE COURT: LADIES AND GENTLEMEN, YOU MAY CONSIDER THAT STIPULATION AS UNDISPUTED EVIDENCE.

BY MR. WEINGARTEN:

Q. I HAND YOU --

A. THIS IS NOT WHAT I HAVE REFERENCE TO.

Q. I'LL GIVE YOU THE NOTES AS WELL?

A. O. K..

Q. DO YOU RECOGNIZE THOSE AS YOUR TELEPHONE CALL RECORDS, SIR?

A. I BELIEVE THEY ARE.

Q. AND IS THE DATE, JANUARY 16, 1979, INCLUDED IN THAT GOVERNMENT EXHIBIT?

A. IT IS.

MR. WEINGARTEN: I MOVE THAT GOVERNMENT EXHIBIT INTO EVIDENCE AT THIS TIME, YOUR HONOR.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS ADMITTED INTO EVIDENCE.)

BY MR. WEINGARTEN:

Q. LOOK AT JANUARY 16, 1979, MR. MING. DO YOU HAVE IT?

A. YES.

Q. WHAT IS THE FIRST CALL NOTED ON THAT DAY?

A. DALLAS, 8:55.

Q. DO YOU RECOGNIZE THE TELEPHONE NUMBER?

A. YES.

Q. AND WHOSE NUMBER WOULD THAT BE?

A. BUNKER'S. BUNKER HUNT.

Q. IS THAT TYPICAL? IF WE LOOK THROUGH THE REST OF THE TOLL RECORDS WE FIND A LOT OF CALLS AT THE BEGINNING OF THE DAY TO NELSON BUNKER HUNT BY YOU?

A. WELL, THERE WAS THAT ONE.

Q. I MEAN ON THAT DATE. WAS IT UNUSUAL FOR YOU TO FIND CALLS TO NELSON BUNKER HUNT AT 8:55 IN THE MORNING ON JANUARY 16?

A. NO, IT WAS NOT UNUSUAL.

Q. WOULD YOU LOOK THROUGH THE REST OF THE DAY JUST SO WE HAVE SOME IDEA OF YOUR BUSINESS RELATIONSHIP, TO SEE IF THERE ARE OTHER CALLS TO MR. HUNT.

A. WELL, ON THE ELEVENTH.

Q. ON THE 16TH?

A. OH, ON THE 16TH? ASK THE QUESTION AGAIN.

Q. ARE THERE OTHER CALLS TO MR. HUNT ON THE 16TH?

A. YES.

Q. COULD YOU JUST GIVE US AN IDEA HOW MANY? WHY DON'T YOU JUST RECITE WHAT CALLS ARE MADE TO MR. HUNT THAT DAY?

A. WELL, AT 9:34 THERE WAS ONE.

Q. HOW LONG?

A. TWO MINUTES.

Q. HOW LONG WAS THAT FIRST CALL?

A. FOUR MINUTES.

Q. ALL RIGHT. WOULD YOU PLEASE CONTINUE?

A. THERE WAS ANOTHER ONE AT 10:36.

Q. HOW LONG WOULD THAT BE?

A. 3 MINUTES.

Q. PLEASE CONTINUE?

A. THERE WAS ANOTHER ONE AT 10:49.

Q. HOW LONG WOULD THAT ONE BE?

A. 7 MINUTES.

Q. ARE THERE ANY OTHERS?

A. THERE IS ONE AT 11:15.

Q. HOW LONG WOULD THAT BE?

A. 8 MINUTES.

Q. JUST STOP THERE FOR THE TIME BEING. DO YOU RECALL

WHAT THE CONTENT WAS OF THE FIRST CALL, THE FIRST CONVERSATION YOU HAD WITH MR. HUNT THAT DAY?

A. IF YOU WOULD GIVE ME MY NOTES I COULD BE MORE PRECISE.

Q. ALL RIGHT. I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 31. I ASK YOU, SIR, CAN YOU IDENTIFY THAT?

A. YES, THESE ARE FROM MY LOG THAT I KEEP ON A DAILY BASIS.

Q. WHAT IS THE NATURE OF THE LOG? WHAT PURPOSE DOES IT SERVE?

A. OH, JUST NOTATIONS DURING THE DAY OF WHO I TALKED TO, INSTRUCTIONS. IT IS NOT MEANT TO BE NOR IS IT A TOTALLY COMPLETE REVELATION OF EVERYTHING THAT TOOK PLACE.

Q. IT IS KEPT FOR YOU, YOU USE IT FOR YOUR OWN PURPOSE.

A. USE FOR MY OWN PURPOSES, SORT OF A DIARY.

MR. WEINGARTEN: WE MOVE GOVERNMENT EXHIBIT 31 INTO EVIDENCE, YOUR HONOR.

THE COURT: ANY OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: ALL RIGHT. IT IS IN EVIDENCE WITHOUT OBJECTION.

(WHEREUPON, GOVERNMENT'S EXHIBIT NO. 31 WAS RECEIVED INTO EVIDENCE.)

THE COURT: NOW, YOU CAN TELL US.

MR. LEWIN: A QUESTION, PLEASE? THERE ARE SOME YELLOW MARKINGS ACROSS THERE?

THE WITNESS: THAT IS CORRECT.

MR. LEWIN: SORT OF HIGHLIGHTS. WHAT ARE THOSE?

THE WITNESS: THESE ARE COMMENTS THAT I WAS REQUESTED TO HIGHLIGHT BY EITHER THE F B I OR THE JUSTICE DEPARTMENT. I DON'T REMEMBER WHICH. ANYTHING THAT MIGHT HAVE REFERENCE TO BUNKER HUNT OR ANY MEMBER OF THE HUNT FAMILY, OR I BELIEVE ALSO MR. -- WELL, I THINK IT IS BUNKER. IT MIGHT ALSO HAVE REFERENCE TO MR. HANSEN.

MR. LEWIN: AND THOSE ARE ESSENTIALLY PAGES THAT WERE TORN OUT OF A BOOK, IS THAT IT?

THE WITNESS: A SPIRAL NOTEBOOK.

MR. LEWIN: THAT YOU KEPT ON YOUR DESK AND YOU WOULD OCCASIONALLY WRITE IN THAT IN THE COURSE OF A DAY?

THE WITNESS: YES.

THE COURT: WITHOUT OBJECTION IT IS IN EVIDENCE.

BY MR. WEINGARTEN:

Q. JUST SO WE ARE CLEAR, MR. MING, WERE YOU REQUESTED TO HIGHLIGHT ANY NOTATION IN YOUR DIARY THAT HAD ANYTHING TO DO WITH THE JANUARY 1979 SILVER TRANSACTION INVOLVING THE HANSENS?

A. SAY THAT AGAIN.

Q. INVOLVING THE HANSENS, WAS THAT THE INSTRUCTION?

A. INVOLVING BOTH MR. HUNT AND THE HANSENS, OR ANYTHING THAT COULD HAVE.

Q. O. K.. LET'S GET BACK TO THE 8:55 CALL TO MR. HUNT THAT YOU MADE ON JANUARY 16. IS THERE ANYTHING IN YOUR NOTES

THAT HELP YOU RECALL THE CONTENT OF THAT CONVERSATION?

A. WELL, AS I NOTED, IT HAS JUST EXACTLY THE INFORMATION THAT I REFLECTED THAT I WOULD NORMALLY REFLECT. THE FIRST COMMENT HAS " ROLL G TO J. " WHICH MEANS FEBRUARY TO APRIL.

Q. GENERALLY SPEAKING, WHAT DOES THAT MEAN?

A. THAT ROLLS A SILVER POSITION AS I RECALL BUNKER HAD IN FEBRUARY, WHICH IS TRADED ON THE CHICAGO BOARD OF TRADE TO APRIL, WHICH IS ALSO TRADED ON THE CHICAGO BOARD OF TRADE. THIS BEING JANUARY THE 16TH, THE FIRST NOTICE DAY WOULD HAVE BEEN APPROACHING IN APPROXIMATELY PLUS OR MINUS TWO WEEKS.

AND HE WANTED TO ROLL THAT UNTIL APRIL TO MAINTAIN HIS POSITION.

Q. IS THAT A TECHNICAL TERM OR IS THAT A TERM THAT HAS TO DO WITH THE SILVER MARKET?

A. IT IS A COMMON COMMODITIES TERM USED IN THE FUTURES MARKET. IT IS EITHER CALLED ROLL OR SWITCH. THERE'S TWO MARKETS GOING ON AT ALL TIMES IN ANY COMMODITY.

Q. WITHOUT GETTING INTO THOSE KINDS OF TECHNICALITIES, DID YOU RECEIVE ANY OTHER INSTRUCTIONS FROM MR. HUNT?

A. ROLL FEBRUARY TO APRIL; BUY TWO HUNDRED MARCH MARKET NOT HELD. SELL AT 8 CENTS.

Q. INTERPRET THAT IF YOU WILL. WHAT WAS MR. HUNT INSTRUCTING YOU TO DO?

A. HE WAS INSTRUCTING ME TO BUY TWO HUNDRED MARCH, SILVER, MARKET NOT HELD, WHICH MEANS THAT I HAVE THE DISCRETION TO BUY

IT AT ANY PRICE I SO CHOOSE IN MY JUDGMENT UP TO TWO HUNDRED CONTRACTS. NO MORE THAN TWO HUNDRED CONTRACTS. I COULD BUY LESS THAN TWO HUNDRED CONTRACTS, BUT I COULDN'T BUY ANY MORE, AND I COULD PAY WHATEVER I IN MY JUDGMENT FELT WOULD BE PRUDENT AND PROPER, AND WHEN WE MADE 8 CENTS IN ANY OR ALL OF THEM, SELL IT FOR 8 CENTS PROFIT.

Q. WHAT DOES IT MEAN TO MAKE 8 CENTS?

A. 8 CENTS PROFIT.

Q. 8 CENTS IN RELATION TO WHAT, PER OUNCE?

A. PER OUNCE PER CONTRACT.

Q. HOW MANY OUNCES IN A CONTRACT?

A. FIVE THOUSAND.

Q. SO, WHEN THE PROFIT REACHED 8 CENTS AN OUNCE PER CONTRACT OR 8 CENTS AN OUNCE, YOU WERE TO SELL?

A. YES.

Q. AND THERE WERE FIVE THOUSAND OUNCES IN A CONTRACT?

A. THAT'S RIGHT. FURTHER, IT SAID FEBRUARY TO APRIL, AND THAT IS QUOTED PRICE OF EIGHT, EIGHTY TO 9 HUNDRED. THAT MEANS 8 POINT 8 CENTS TO NINE CENTS. THAT IS A SWITCH PREMIUM.

Q. GETTING BACK TO THAT INSTRUCTION INVOLVING MARCH SILVER, DID HE MENTION THAT YOU WERE TO CONTACT ANYBODY IN REFERENCE TO THAT PURCHASE?

A. HE SAID HE HAD A FRIEND, GEORGE HANSEN, WHO MAY BE INTERESTED IN SILVER.

Q. WHAT ELSE?

A. IF HE WANTED THEM, IF HE WANTED THE MARCH CONTRACTS HE COULD HAVE THEM; IF HE DIDN'T WANT THEM, GO AHEAD AND BUY THEM FOR ME AND CARRY OUT THE OTHER INSTRUCTIONS.

Q. JUST SO WE ARE CLEAR, HAD YOU EVER HEARD THAT NAME, GEORGE HANSEN, PRIOR TO THAT MOMENT?

A. NO.

Q. AND WHAT DID YOU --

A. HE TOLD ME IT WAS AN UNITED STATES CONGRESSMAN, HOWEVER.

Q. IT IS AN IMPORTANT PIECE OF EVIDENCE, MR. MING. WHAT EXACTLY DID MR. HUNT SAY?

A. JUST CALL GEORGE HANSEN. HE IS A CONGRESSMAN FROM IDAHO. I THINK HE HAS SOME INTEREST IN SILVER. THAT IS ALL. IF HE WANTS THESE, HE CAN HAVE THEM. IF HE DOESN'T WANT THEM GO AHEAD AND BUY THEM FOR ME, AND I'LL TAKE THEM.

Q. SO WE ARE CLEAR ON YOUR RELATIONSHIP TO MR. HUNT, HAD HE EVER MADE SUCH A REQUEST TO YOU BEFORE?

A. YES.

Q. WITH WHOM?

A. WITH MEMBERS OF HIS FAMILY.

Q. WITH ANYONE OUTSIDE OF HIS FAMILY?

A. NO, BECAUSE I DON'T TRADE WITH ANYONE OUTSIDE OF HIS FAMILY.

Q. JUST SO WE ARE CLEAR NEVER WITH A CONGRESSMAN?

A. NO.

Q. PURSUANT TO THAT INSTRUCTION, WHAT DID YOU DO, SIR?

A. WELL, TO THE BEST OF MY RECOLLECTION, I PRICED THE MARKET -- AND YOU DON'T BUY YOUR POSITIONS ALL AT ONCE. ANYONE WHOSE TRYING TO USE GOOD JUDGMENT IN BUYING ANY COMMODITY WHETHER IT IS SILVER OR SOYBEANS OR WHAT HAVE YOU, ACCUMULATES THAT POSITION AT THE BEST PRICE POSSIBLE. IN OTHER WORDS, YOU VIRTUALLY GO SHOPPING.

AND I THINK YOU HAVE SOME ORDER TICKETS WITH SOME TIME STAMPS THAT WOULD REFLECT THAT I INITIALLY PUT IN BUY ORDERS FOR SOMETHING ON THE ORDER OF 15 TO 20 CONTRACTS -- IT MAY HAVE BEEN MORE, IT MAY HAVE BEEN LESS -- WITH SOME PRICE PARAMETERS, SOME PRICE LIMITATIONS, SIX, 17, SIX, 18. THAT MEANS 6 DOLLARS AND 17 CENTS OR 6 DOLLARS AND 18 CENTS AN OUNCE.

Q. LET ME STOP YOU FOR ONE SECOND?

A. IF YOU HAVE THAT, I CAN TELL YOU MORE PRECISELY ABOUT EXACTLY WHAT I DID.

Q. YES, SIR.

MR. WEINGARTEN: STIPULATION NUMBER 6. REQUEST PERMISSION TO PUBLISH TO THE JURY, YOUR HONOR.

THE COURT: PERMISSION GRANTED.

MR. WEINGARTEN: STIPULATION NUMBER SIX. IT IS HEREBY AGREED AND STIPULATEDED BETWEEN THE UNITED STATES AND DEFENDANT, GEORGE V. HANSEN, THAT THE ATTACHED COMMODITY FUTURES RECORD WITH CARGILL INVESTORS' SERVICES, INC. ARE AUTHENTIC RECORDS. RESPECTFULLY SUBMITTED, THE PARTIES.

THE COURT: YOU MAY CONSIDER THAT, LADIES AND GENTLEMEN OF THE JURY, AS UNDISPUTED EVIDENCE. IT IS A STIPULATION.

BY MR. WEINGARTEN:

Q. I HAND YOU 30 A AND 30 B AND ASK YOU IF YOU CAN IDENTIFY THEM?

A. THIS IS A P AND S SHEET FROM CARGILL.

Q. WHAT DOES THAT MEAN?

A. PURCHASE AND SALES. IT IS A RECAP.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE NOW THOSE GOVERNMENT EXHIBITS, YOUR HONOR.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE, 30 A AND B.

(WHEREUPON, GOVERNMENT'S EXHIBIT 30A AND 30B WERE RECEIVED INTO EVIDENCE.)

BY MR. WEINGARTEN:

Q. IS IT FAIR TO SAY THAT SUBSEQUENT OR FOLLOWING THE INSTRUCTION FROM BUNKER HUNT TO GO OUT AND BUY TWO HUNDRED AND GIVE GEORGE HANSEN, HIS FRIEND, ANYTHING HE MAY BE INTERESTED IN, YOU WENT OUT AND BOUGHT SOME SILVER?

A. WELL, YOU HAVEN'T GIVEN ME WHAT I ASKED FOR.

Q. WELL, MAYBE YOU CAN ANSWER MY QUESTION FIRST?

A. O. K..

Q. THAT DAY, JANUARY 16, DID YOU GO OUT AND BUY SOME SILVER PURSUANT TO THAT INSTRUCTION?

A. YES.

Q. JUST SO WE GET THE OVERVIEW OF THAT. WHAT PURCHASES DID YOU MAKE?

A. IF YOU GIVE ME THE TICKET, I CAN TELL YOU.

Q. IS IT NOT REFLECTED IN THE DOCUMENT I JUST GAVE YOU?

A. NO, IT IS NOT. IT IS NOT REFLECTED HOW MUCH I BOUGHT, WHEN I BOUGHT, AND WHAT PRICES I PAID FOR IT.

Q. MAY I SEE THAT DOCUMENT?

A. WHAT I AM TALKING ABOUT HAS A TIME STAMP ON IT.

Q. WE ARE NOT INTERESTED IN TIME NOW. THE QUESTION IS: DID YOU ON JANUARY 16TH GO OUT AND PURCHASE SILVER CONTRACTS PURSUANT TO YOUR INSTRUCTIONS FROM NELSON BUNKER HUNT?

THE WITNESS: YOUR HONOR, I HAVE TO ANSWER THAT CONDITIONALLY. I COMMENCED BUYING SILVER, AND I ALSO -- IN MY BEST RECOLLECTION, AND IT HAS BEEN FIVE YEARS AGO -- THAT I GAUGED THE MARKET IMMEDIATELY UPON RECEIVING THE ORDER OF TWO HUNDRED CONTRACTS OF MARCH SILVER, MARKET NINE. I GAVE THE CLERK AN ORDER TO BUY SOME SILVER. IT WOULD BE REFLECT ON THE TIME STAMP OF MY ORDER TICKET, WHICH IS WHAT I AM REQUESTING. HAVING DONE THAT, WHILE HE WORKED THAT ORDER, TO THE BEST OF MY RECOLLECTION, I THINK I PUT IN A PERSON TO PERSON CALL TO CONGRESSMAN HANSEN'S OFFICE.

MR. WEINGARTEN: YOUR HONOR, I AM GOING TO INTERJECT ONE THING. I WOULD REQUEST THAT I BE PERMITTED TO ASK THIS WITNESS QUESTIONS. IF THE QUESTIONS ARE NOT FAIR, I AM SURE

THERE WILL BE OBJECTIONS FROM DEFENSE COUNSEL. IF DEFENSE COUNSEL WANT TO CLEAR SOMETHING UP, HE IS CAPABLE OF DOING IT. I WOULD MUCH PREFER QUESTION AND ANSWER SESSION RATHER NARRATIVE.

THE COURT: WHAT COUNSEL IS SAYING TO YOU, MR. MING, AND IT IS THE CUSTOMARY PROCEDURE, THAT COUNSEL WOULD ASK YOU A QUESTION AND YOU WOULD ANSWER SPECIFICALLY TO THAT QUESTION AND ANOTHER QUESTION WOULD BE ASKED AND THE SAME THING WOULD HAPPEN ON BOTH SIDES FO THE TABLE.

THAT WOULD BE HELPFUL, AND IT WOULD HELP MOVE IT ALONG. IF YOU DON'T KNOW THE ANSWER TO THE QUESTION, BY ALL MEANS, YOU CAN TELL US SO.

THE WITNESS: ALL RIGHT.

BY MR. WEINGARTEN:

Q. WE WILL GET THE TIMES. HOW MANY CONTRACTS OF SILVER WERE PURCHASED THAT DAY?

A. 125.

Q. IN WHAT AMOUNTS? WAS THERE JUST ONE PURCHASE OF 125 OR WERE THERE SEVERAL PURCHASES?

A. THERE WAS A SERIES OF PURCHASES.

Q. HOW MANY CONTRACTS WERE PURCHASED IN THAT SERIES? CAN YOU JUST RECITE IT FROM THAT DOCUMENT?

A. 125.

Q. WHAT WAS THE BREAKDOWN?

A. YOU MEAN PRICE BREAKDOWN?

Q. YES, HOW MANY -- FIRST, HOW MANY CONTRACTS WERE PURCHASEDED FOR WHAT RICE AND CONTINUE UNTIL WE GET TO 125?

A. WELL THAT IS WHAT I AM TRYING TO MAKE CLEAR. THIS ONE CONTRACT OF MARCH NEW YORK SILVER AT 6, 17, FIFTY MAY HAVE BEEN THE LAST CONTRACT I PURCHASEDED.

Q. I AM NOT CONCERNED WITH THAT.

A. ALL RIGHT. AS LONG AS WE UNDERSTAND THEY ARE NOT SEQUENTIAL. ONE MARCH NEW YORK SILVER AT SIX SEVENTEEN FIFTY. 21 AT 6, 18, 50. SIX, AT 6, NINETEEN FIFTY, THIRTY-FIVE AT SIX TWENTY- HUNDREDTHS. 62 AT 6, TWENTY-ONE, FIFTY. TOTAL 125.

Q. JUST START WITH THE FIRST SO THOSE OF US WHO ARE NOT FAMILIAR WITH THE NUMBERS. ONE CONTRACT OF MARCH SILVER FOR SIX, 17, FIFTY REPRESENTS WHAT?

A. IT REPRESENTS FIVE THOUSAND OUNCES OF TRIPLE NINE FINE SILVER AT SIX DOLLARS AND 17 AND A HALF CENTS PER OUNCE.

Q. AND IF WE WANTED TO KNOW THE TOTAL VALUE THAT CONTRACT? IF SOMEONE WERE ACTUALLY TO BUY THE SILVER ITSELF, HOW WOULD WE FIND IT?

A. FIVE THOUSAND TIMES 6 DOLLARS 17 AND A HALF CENTS.

Q. PRIOR TO YOUR TESTIFYING TODAY, DID I ASK YOU TO ENGAGE IN SOME HIGHER MATH AND SEE IF YOU CAN COME OUT WITH A TOTAL FIGURE?

A. LACKING A CALCULATOR, I WOULD LIKE TO SAY THIS IS APPROXIMATELY CORRECT.

THE COURT: MR. LEWIN, WOULD YOU LIKE TO LOOK AT THE

YELLOW PIECE OF PAPER THAT IS BEING OPENED AT THE MOMENT?

DID I UNDERSTAND YOU TO SAY, MR. MING, THE ONE CONTRACT YOU REFERRED TO IS FIVE THOUSAND OUNCES?

THE WITNESS: ALL CONTRACTS, JUDGE, ARE FIVE THOUSAND OUNCES.

THE COURT: THAT YOU MULTIPLIED THE SIX POINT ONE 7 AND A HALF CENTS BY THAT FIVE THOUSAND?

THE WITNESS: YES, MA'AM.

THE COURT: AND COME TO SOME FIGURE?

THE WITNESS: YES, THAT FIGURE COMES TO 30 THOUSAND 8 HUNDRED AND 75 DOLLARS.

BY MR. WEINGARTEN:

Q. THAT WOULD BE FOR THE ONE CONTRACT?

A. THAT'S RIGHT.

Q. AND DID I ALSO ASK YOU TO ADD UP THE TOTAL IF YOU WOULD?

A. THAT IS RIGHT. THAT IS CORRECT. MY TOTAL COMES TO 3 MILLION 8 HUNDRED AND SEVENTY-SIX THOUSAND, 8 HUNDRED DOLLARS.

Q. AND THAT REPRESENTS, IF SOMEONE ACTUALLY WANTED TO TAKE POSSESSION OF THAT SILVER DOWN THE ROAD WHAT THOSE CONTRACTS WOULD COST?

A. THAT REFLECTS THE VALUE.

Q. THANK YOU. MR. MING, YOU WERE TESTIFYING BEFORE ABOUT WHEN YOU WOULD HAVE PURCHASED THESE CONTRACTS AND, OF COURSE, THERE IS A RECORD THAT INDICATES. WHAT RECORDS ARE KEPT? OR

HOW COULD WE CHECK AS TO WHEN CONTRACTS ARE BOUGHT AND SO FORTH?

A. I WRITE OUT A TICKET AND EVERY TIME I GIVE MY FLOOR CLERK IN NEW YORK AN ORDER, I NOTE THE NUMBER OF CONTRACTS THAT I GIVE HIM AT WHAT PRICE AND I TIME STAMP IT, AND AS HE EXECUTES THEM, I WRITE DOWN THE EXECUTION PRICES, AND I TIME STAMP IT AGAIN. THERE ARE NUMEROUS TIME STAMPS ON THAT TICKET.

Q. THERE ARE TIME STAMPS IN YOUR OFFICE IN OKLAHOMA, THERE ARE TIME STAMPS IN CARGILL'S OFFICE IN NEW YORK, AND THERE ARE TIME STAMPS IN CARGILL'S OFFICE IN CHICAGO. THERE ARE A LOT OF WAYS TO CHECK?

A. THERE ARE TIME STAMPS HIMSELF AT FORLENZA IN NEW YORK.

Q. WHO IS FORLENZA?

A. FORLENZA IS THE FLOOR BROKER FROM WHOM I PURCHASED THESE CONTRACTS.

Q. WHAT WOULD HIS RELATIONSHIP BE WITH CARGILL?

A. HE EXECUTES THE TRADES FOR ME, AND IN TURN SENDS THOSE TRADES TO CARGILL WITH AN IDENTIFYING NUMBER. CARGILL IN TURN KNOWS THAT NUMBER IS FROM MING COMMODITY SERVICES JUST BECAUSE OF THE NUMBER, AND THEY TAKE IT INTO THEIR SYSTEM ON MY BEHALF.

Q. AND SO, IS FORLENZA THE FLOOR BROKER IN NEW YORK WHO ACTUAL EXECUTES THE CONTRACT?

A. THAT IS CORRECT. CARGILL DOES NOT ACTUALLY EXECUTE THE ORDER.

Q. CARGILL IS THE CLEARING HOUSE?

A. CARGILL IS THE CLEARING HOUSE.

Q. MR. MING, YOU RECALL THERE CAME A TIME IN AUGUST OF 1982 WHEN WE SAT DOWN WITH ALL THE DOCUMENTS TRYING TO FIND OUT WHEN YOU PURCHASED THE SILVER?

A. I THINK SO, YES.

Q. YOU REMEMBER TESTIFYING ABOUT THAT VERY SUBJECT IN THE GRAND JURY?

A. YES.

Q. YOU RECALL NOW WHEN YOU WOULD HAVE PURCHASED THAT SILVER, WHEN THE FINAL SALE WOULD HAVE BEEN FOR THE 125 CONTRACTS?

A. I WOULD HAVE TO LOOK AT THE CONTRACTS.

Q. WOULD IT HELP IF YOU LOOKED AT THE GRAND JURY WHEN YOU TESTIFIED IN WASHINGTON AFTER HAVING GONE THROUGH ALL THAT?

MR. LEWIN: YOUR HONOR, WE OBJECT TO THAT. MAY WE APPROACH THE BENCH?

THE COURT: YES.

AT THE BENCH:

MR. LEWIN: YOUR HONOR, WE OBJECT. I DON'T KNOW OF ANY BASIS FOR AN ATTORNEY SIMPLY SAYING TO A WITNESS WHO IS UP THERE TESTIFYING AND IT IS HIS WITNESS-- LET ME SHOW YOU SOME PRIOR TESTIMONY YOU HAVE GIVEN SO YOU CAN TESTIFY CONSISTENTLY WITH IT.

IF THE WITNESS IS GOING TO BE ASKED, HE CAN BE SHOWN THE EXHIBITS WHICH HE USED IN THE GRAND JURY AND ASKED TO TESTIFY FROM THOSE EXHIBITS, BUT TO SAY-- HERE'S YOUR GRAND

JURY TESTIMONY. YOU ARE GOING TO ACCEPT YOUR GRAND JURY TESTIMONY. I OBJECT.

MR. WEINGARTEN: FIRST OF ALL, HE SAID HE HAD NO MEMORY. I CAN ACCEPT THAT. IT TURNS OUT THAT THESE ORDERS ARE INCREDIBLY COMPLICATED, A FLOOD OF PAPER. HE TESTIFIED CLEARLY IN THE GRAND JURY, AND HE DOESN'T REMEMBER NOW. I CAN REFRESH HIS RECOLLECTION.

MR. LEWIN: YOUR HONOR, NOT BY SHOWING HIM GRAND JURY TESTIMONY. THAT IS SOMETHING THAT EVERY PROSECUTOR COULD SIMPLY GO AROUND AND AVOID ANY QUESTION ALSO OF POSSIBLE CONFLICT BY SHOWING HIM GRAND JURY TESTIMONY.

THE COURT: WHY DON'T YOU ASK HIM WHAT WOULD BE THE MOST HELPFUL TO HIM IN REFRESHING HIS MEMORY SO WE CAN WITH THE GREATEST DEAL OF EXPEDITIOUSNESS AND THE LESS CLOUD OF PAPER BE ABLE TO MOVE THIS ALONG.

ON THE OTHER HAND, THE GENTLEMEN SEEMS TO BE QUITE PRECISE AND HE KEEPS WANTING TO REFER TO CERTAIN STAMPED DATES AND NUMBERS. AND MAYBE HE MAY FEEL HE WANTS TO LOOK AT THOSE DOCUMENTS NO MATTER HOW INCREDIBLY COMPLICATED IT IS.

NONE OF US WANTS IT ANY MORE COMPLICATED THAN THE COMMODITY FUTURES MAKE IT.

MR. WEINGARTEN: I WANT TO PRESENT TO THE COURT HE IS A VERY HOSTILE WITNESS TO THE GOVERNMENT.

THE COURT: MAYBE SO, BUT HE MAY NOT BE PARTICULARLY HAPPY TO BE HERE. THAT MAY BE JUST THE SITUATION IN GENERAL.

MR. WEINGARTEN: WHEN IS THE COURT PLANNING TO TAKE A RECESS?

THE COURT: IN 15 MINUTES. WE HAVE COFFEE ORDERED FOR 3:30. THE NURSE IS GOING TO CHECK THE LADY. OTHERWISE, WE HAVE TO WAIT FOR EVERYTHING TO OCCUR. LET'S SEE WHAT HE NEEDS TO JOG HIS MEMORY. I HAVE TO AGREE WITH MR. LEWIN, THAT AT THIS TIME, I AM NOT SAYING FOREVER, BUT AT THIS TIME TO SHOW HIM HIS GRAND JURY TAKES A LITTLE OFF THE EDGE OR SOMETHING. THAT MIGHT HAPPEN SUBSQUENTLY. THE WAY IT WAS. LET'S SEE WHAT HE NEEDS TO REFRESH HIS MEMORY. ONE AT A TIME, MR. CAMPBELL, REMEMBER?

AL RIGHT.

IN OPEN COURT

THE COURT: MR. MING, WOULD YOU KINDLY COME BACK TO THE WITNESS CHAIR?

LET ME ASK THE LADIES AND GENTLEMEN OF THE JURY. CAN YOU HOLD FOR ABOUT ANOTHER 15 MINUTES OR DO YOU HAVE TO HAVE YOUR BREAK RIGHT NOW? CAN WE WAIT ANOTHER 15 MINUTES? GOOD. LET'S DO THAT.

MR. WEINGARTEN: I WOULD ASK THAT THIS BE MARKED AS GOVERNMENT EXHIBIT 59.

THE DEPUTY CLERK: GOVERNMENT EXHIBIT 59 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE
WAS MARKED GOVERNMENT'S EXHIBIT NO. 59 FOR

IDENTIFICATION.)

Q. MR. MING, I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 59. IT IS TOUGH TO READ. CAN YOU IDENTIFY THAT?

A. IT IS BETTER THAN NOTHING.

Q. WHAT IS IT, SIR?

A. THIS IS THE ORIGINAL, A COPY OF AN ORIGINAL TICKET, OR ONE OF THE COPIES OF AN ORIGINAL TICKET, FROM WHICH I WROTE MY ORDERS OUT.

Q. HAVE YOU REFERRED TO IT IN THE PAST AS YOUR RECAPITULATION OR YOUR RECAP?

A. THIS IS A RECAP. THIS DOES NOT REFLECT EXACTLY WHEN THE ORDERS WERE EXECUTED OR, IN OTHER WORDS, IT DOESN'T REFLECT THE SEQUENTIAL ORDER IN WHICH THEY ARE REFLECTED. AS I UNDERSTAND. IN RECOLLECTING OUR CONVERSATION, MR. WEINGARTEN, THAT AUGUST YOU WERE TALKING ABOUT THAT, AS I RECALL, YOU HAVE TO CORRELATE THIS WITH SOME INFORMATION THAT I UNDERSTOOD YOU HAD OR IF YOU DON'T, IT IS AVAILABLE, OR WAS AVAILABLE. IT IS CALLED TIME AND PRICE INFORMATION.

Q. MR. MING, IF WE WERE INTERESTED IN THE TIME WHEN ALL THE CONTRACTS WERE PURCHASED WOULD THAT BE REFLECTED ON THAT DOCUMENT YOU HAVE?

A. YES.

Q. WOULD YOU TELL US WHEN THAT WOULD BE, SIR?

A. WHEN IT WAS COMPLETED.

Q. YES. MY UNDERSTANDING IS-- AREN'T THERE TIMES STAMPED

ON THAT RECAP STATEMENT? I KNOW THEY ARE TOUGH TO MAKE OUT.

A. I COULDN'T TELL YOU FROM THIS. I WOULD HAVE TO HAVE A VERY MINUTE EXAMINATION. THERE ARE TIME STAMPS ON HERE FROM 9:17, 9:05. THIS IS ALL OKLAHOMA TIME. THERE ARE SOME TIME STAMPS HERE YOU CAN'T MAKE OUT. THERE'S ONE HERE, 10:10.

Q. MR. MING, IS THAT NOT THE TIME YOU WENT OUT AND PURCHASED THOSE SILVER CONTRACTS?

A. OH, YES.

Q. FROM WHAT YOU CAN SEE THERE, SIR, WHAT WOULD BE THE LATEST TIME ON THAT DOCUMENT?

A. IT LOOKS LIKE 10:10 MAY HAVE BEEN. BUT I CAN'T TELL. I COULDN'T -- THERE IS ONE THAT IS 10 SOMETHING. BUT, THE ONE THAT I CAN MAKE OUT WOULD APPEAR TO BE 10:10, BUT THERE ARE SEVERAL TIME STAMPS THAT ARE ILLEGIBLE.

Q. HOW MANY TIME STAMPS CAN YOU READ THERE, SIR?

A. WELL, LET'S SEE. IT LOOKS LIKE APPROXIMATELY 8 OR 9.

Q. MAY I SEE THAT DOCUMENT, PLEASE?

A. THERE ARE 8 OR NINE TIME STAMPS.

Q. WHAT DO THE TIME STAMPS INDICATE?

A. THEY WOULD INDICATE THE TIME THAT I SPOKE TO MY FLOOR BROKER. HE REFLECTED INFORMATION TO ME, AND I GAVE HIM AN ORDER. OR, IT ALSO, AND IT ALSO REFLECTS HIS REPORTING THE EXECUTIONS TO ME, AND I WOULD TIME STAMP IT AT THAT TIME, ALSO.

Q. FROM WHAT YOU CAN TELL, IS THERE ANY TIME ON THAT SHEET LATER THAN 10:10 IN THE MORNING?

A. NO, FROM WHAT I CAN TELL.

Q. AS YOU SIT HERE NOW, DO YOU HAVE A RECOLLECTION WHEN THE CONTRACT PURCHASE FOR THE 125 WAS COMPLETED?

A. NO.

Q. ALL RIGHT. AND DO YOU RECALL US LOOKING AT THOSE TIME AND SALE SHEETS BACK IN AUGUST OF 1982?

A. YES. AS I RECALL, THE TIME AND PRICE SHEETS WOULD REFLECT AT APPROXIMATELY WHAT TIME THE SILVER WAS TRADING IN THESE PRICE PARAMETERS.

Q. AND DO YOU RECALL BEING ASKED AFTER WE REVIEWED THOSE IN THE GRAND JURY WHEN YOU HAD COMPLETED THE PURCHASE OF THE 125 CONTRACTS?

A. YES.

MR. LEWIN: YOUR HONOR?

THE COURT: WHY DON'T YOU COME UP HERE.

AT THE BENCH:

THE COURT: LET ME ASK A QUESTION, BECAUSE MAYBE THIS CAN SHORTCIRCUIT: ARE THESE TIMES CRITICALLY IMPORTANT?

MR. LEWIN: YES.

THE COURT: IF THEY ARE, OBVIOUSLY, WE ARE GOING TO HAVE TO WORK OUR WAY TO GET TO THAT POINT. IF THEY ARE NOT OF SUCH CRITICAL IMPORTANCE, THE TIMES, THAT IS, PERHAPS YOU GENTLEMEN COULD AGREE UPON SOME TIME FACTOR THERE. THERE ARE FIVE EXHIBITS. FIVE SEPARATE TRANSACTIONS. I ASSUME THERE ARE AT LEAST FIVE TIMES WE ARE TALKING ABOUT.

MR. LEWIN: I THINK THE QUESTION HAS TO BE ADDRESSED TO THE PROSECUTION. FROM OUR VANTAGE POINT, OF COURSE, THE ENTIRE TRANSACTION -- THOSE FACTORS ARE NOT THAT RELEVANT.

THE GOVERNMENT'S THEORY, AS I UNDERSTAND IT, HOWEVER, IS THAT ALL OF THESE TRANSACTIONS WERE COMPLETED BEFORE THERE WAS A CONVERSATION WITH MRS. HANSEN. WE THINK THAT IS NOT TRUE. BUT THAT IS THEIR THEORY. CONSEQUENTLY, THE PRECISE TIMES I THINK VERY CRITICAL TO THE PROSECUTION THEORY.

THE COURT: HAVE YOU HAD AN OPPORTUNITY TO LOOK OVER THOSE TIME RECORDS THAT MR. WEINGARTEN HAS DISCUSSED WITH THE WITNESS?

MR. LEWIN: NO. THE TIME AND SALES RECORDS THAT HE IS TALKING ABOUT. I HAVE NEVER SEEN THOSE. I HAVE SEEN THE LITTLE DOCUMENT WITH THE STAMPS ON IT. BUT ALL I AM OBJECTING TO RIGHT NOW IS -- MR. WEINGARTEN SAID YOU RECALL BEING ASKED BY THE GRAND JURY ABOUT THIS AND HE SAID YES.

THE COURT: I UNDERSTAND YOUR OBJECTION BUT SOMEHOW WE HAVE TO GET TO THIS POINT. WE CAN TAKE THE HOUR OR WHATEVER TO GO THROUGH ALL OF THESE MATTERS. AND, OF COURSE, WE CAN'T COMPLETE THIS WITNESS' TESTIMONY TODAY. AND WE WILL UNDOUBTEDLY COME UP WITH, IF IT IS IMPORTANT FOR THE TIME STAMP, SOME COLLECTIVE INFORMATION ABOUT WHEN THESE TRANSACTIONS TOOK PLACE. AND, OF COURSE, THERE IS THE FACT THAT MR. WEINGARTEN, ACCORDING TO HIS THEORY, IF YOU ARE CORRECT, WOULD HAVE TO TIE IT IN. BUT IF THESE PARTICULAR TIMES DO NOT HAVE SIGNIFICANCE

OF THEMSELVES, AND YOU WOULD NOT HAVE A DISPUTE THAT THIS WAS THE TIME THAT WAS STAMPED ON A PARTICULAR PIECE OF PAPER, CAN WE NOT SAVE TIME AND COME TO AN AGREEMENT?

CAN WE NOT COME TO A STIPULATION, WHETHER IT IS IN THE GRAND JURY OR SOME PLACE WHERE HE LAST PREVIOUSLY TESTIFIED OR THAT THEY HAVE COME TO THIS CONCLUSION THAT THESE ARE THE DATES AND TIMES?

MR. LEWIN: ALL RIGHT. BUT I THINK YOUR HONOR --

THE COURT: ALL I AM TRYING TO DO IS SAVE TIME.

MR. LEWIN: I UNDERSTAND BUT WE ARE CERTAINLY PREPARED TO STIPULATE TO THE TIMES THAT ARE PRINTED ON THAT PIECE OF PAPER.

HOWEVER, IF THE WITNESS RECALLS THAT THERE WAS A TIME THAT HE TESTIFIED TO IN THE GRAND JURY, HE SHOULD BE ASKED WHAT WAS THAT TIME. IF IT IS INCONSISTENT WITH HIS GRAND JURY TESTIMONY.

MR.WEINGARTEN: HE HAS NO MEMORY.

THE COURT: GO YOU WANT MR. WEINGARTEN TO ASK HIM WHAT TIME HE TESTIFIED TO IN THE GRAND JURY?

MR. LEWIN: YES. I WANT HIM TO SAY, YOU RECALL YOU WERE ASKED, AND DO YOU RECALL WHAT TIME.

THE COURT: AND IF HE SAYS YES, OF COURSE, HE SHOULD TELL US THE TIME. IF HE SAYS NO?

MR. LEWIN: IF HE SAYS NO, I AGREE. AT THAT POINT, MR. WEINGARTEN CAN SAY IF YOU DON'T RECALL LOOK AT THAT

DOCUMENT.

THE COURT: VERY GOOD. WE COULD HAVE SHORTCIRCUITED THIS. THAT IS WHAT I THOUGHT WE WOULD DO UP HERE. THANK YOU, GENTLEMEN, WE HAVE SAVED A GREAT DEAL OF TIME WITH COMMUNICATION.

IN OPEN COURT:

BY MR. WEINGARTEN:

Q. MR. MING, I BELIEVE YOU TESTIFIED THAT YOU RECALL THAT YOUR SECOND GRAND JURY APPEARANCE, I ASKED YOU WHEN YOU COMPLETED PURCHASING THE 125 CONTRACTS, IS THAT CORRECT?

A. THAT IS CORRECT.

Q. YOU REMEMBER YOUR ANSWER?

A. NO, SIR.

MR. WEINGARTEN: ALL RIGHT. MAY I APPROACH THE WITNESS, YOUR HONOR?

THE COURT: YOU MAY.

MR. LEWIN: WHAT PAGE?

MR. WEINGARTEN: 38.

MR. LEWIN: OF THE GRAND JURY APPEARANCE WHICH DATE?

MR. WEINGARTEN: AUGUST 18.

THE WITNESS: IT WOULD APPEAR THAT I STOPPED ON THE 10:10 TIME STAMP.

BY MR. WEINGARTEN:

Q. IS THAT WHAT YOU TESTIFIED IN THE GRAND JURY?

A. I SAID THAT THE LATEST TIME STAMP THAT I SEE, THERE

MAY BE ONE LATER, BUT APPROXIMATELY 10 MINUTES PAST 10.

Q. ALL RIGHT. WERE YOU TESTIFYING AS BEST YOU COULD IN THE GRAND JURY?

A. THAT IS CORRECT.

Q. NOW, MR. MING, DID YOU IN FACT CONTACT THE HANSENS, OR DID YOU IN FACT CALL GEORGE HANSEN PURSUANT TO MR. BUNKER HUNT'S INSTRUCTION?

A. I DID.

Q. WHAT WERE THE CIRCUMSTANCES OF THAT CALL?

A. I PUT IN THE CALL TO MR. HANSEN. IT ISN'T REFLECTED ON MY TELEPHONE LOG, SO I MUST ASSUME THAT I PUT A PERSON TO PERSON CALL IN TO HIM, AND HE WAS UNAVAILABLE, AND HE RETURNED MY CALL. I IDENTIFIED MYSELF, TOLD HIM THAT I WAS CALLING AT THE SUGGESTION OF BUNKER HUNT THAT HE MIGHT HAVE SOME INTEREST IN SILVER.

Q. MR. MING, YOU SAY THAT THE CALL IS NOT REFLECTED ON YOUR TOLL RECORDS. YOU HAVE JANUARY 16, 1979, BEFORE YOU, SIR?

A. THAT IS CORRECT.

Q. IS THERE A CALL THAT DAY REFLECTED FROM YOUR OFFICE TO CONGRESSMAN HANSEN'S OFFICE IN WASHINGTON, D. C.?

A. YES, IT IS.

THE COURT: IS THAT EXHIBIT 32?

MR. WEINGARTEN: YES, YOUR HONOR.

EXHIBIT 32.

THE COURT: ALL RIGHT.

BY MR. WEINGARTEN:

Q. WHAT TIME IS THAT CALL, SIR?

A. 10:49 OKLAHOMA TIME.

Q. OKLAHOMA TIME? WHAT IS THE HOUR DIFFERENCE BETWEEN OKLAHOMA TIME?

A. ONE HOUR.

Q. IT WOULD BE 11:49 WASHINGTON TIME?

A. IT IS.

Q. THAT CALL IS REFLECTED ON YOUR TELEPHONE RECORDS?

A. ONE MINUTE, RIGHT.

Q. IS THERE A SUBSEQUENT CALL REFLECTED JANUARY 16, 1979 FROM YOU TO CONGRESSMAN HANSEN'S OFFICE?

A. 1:22, OKLAHOMA TIME.

Q. HOW LONG A CALL WOULD THAT BE?

A. 7 MINUTES.

Q. IS THERE A THIRD CALL TO CONGRESSMAN HANSEN'S OFFICE?

\ A. 2:22.

Q. HOW LONG A CALL IS THAT?

A. TWO MINUTES.

Q. NOW, ARE YOU TESTIFYING, SIR, THAT IN ADDITION TO THOSE 3 CALLS, YOU SPOKE TO CONGRESSMAN HANSEN OR SOMEONE IN HIS OFFICE A FOURTH TIME?

A. ABSOLUTELY.

Q. AND WHEN WOULD THAT CALL HAVE BEEN, SIR?

A. THAT CALL WOULD HAVE BEEN PRIOR TO THE FIRST CALL

REFLECTED ON THIS LOG OF 10:59 OKLAHOMA TIME.

Q. WOULD IT HAVE BEEN BEFORE OR AFTER YOUR CALL FROM NELSON BUNKER HUNT?

A. IT WOULD HAVE BEEN AFTER MY FIRST CALL TO BUNKER AT 8:55.

Q. BUT BEFORE YOUR CALL TO WASHINGTON, D. C., 10:49?

A. YES.

Q. AND AGAIN, WHY IS IT NOT REFLECTEDED ON YOUR TOLL RECORDS, SIR?

A. I BELIEVE I CALLED CONGRESSMAN HANSEN PERSON TO PERSON OR HE MAY HAVE CALLED ME BECAUSE I AM INFORMED THAT HE HAD MY PHONE NUMBER.

Q. WELL, YOU TESTIFIED IN THE GRAND JURY SEVERAL TIMES, DID YOU NOT, THAT YOU PLACED THE FIRST CALL?

A. I BELIEVE I DID. I AM JUST SAYING HE POSSIBLY COULD HAVE. I AM REASONABLY CERTAIN THAT I CALLED CONGRESSMAN HANSEN AND I CALLED HIM PERSON TO PERSON. HE WAS NOT AVAILABLE AND I LEFT WORD AND HE RETURNED MY CALL.

Q. WHY DID YOU CALL HIM PERSON TO PERSON?

A. BECAUSE I DIDN'T KNOW CONGRESSMAN HANSEN; I DIDN'T KNOW THE ROUTINE OF HIS OFFICE; I DIDN'T KNOW HOW CALLS WOULD BE HANDLED IN HIS OFFICE; AND A PERSON TO PERSON CALL SEEMED TO BE THE LOGICAL THING TO DO.

Q. OF COURSE, YOU DIDN'T CALL HIM PERSON TO PERSON THE NEXT 3 TIMES.

A. NO, BECAUSE I HAD TALKED TO MRS. HANSEN, HAD ESTABLISHED CONTACT, AND WAS ADVISED TO CALL HER IN THE MATTER JUST DIRECT DIAL.

Q. SO, YOU ARE SAYING BETWEEN THE 8:55 CALL TO BUNKER HUNT AND THE 10:49 CALL TO CONGRESSMAN HANSEN'S OFFICE THAT YOU HAD TWO CONVERSATIONS WITH CONGRESSMAN HANSEN AND MRS. HANSEN?

A. NO, I DIDN'T SAY TWO.

MR. LEWIN: THAT'S NOT --

BY MR. WEINGARTEN:

Q. LET RESTATE IT. YOU CALLED THE OFFICE AND THEY CALLED YOU BACK?

A. THAT'S CORRECT.

Q. AND YOU SAY THAT OCCURRED BETWEEN 8:55 IN THE MORNING AND 10:49 IN THE MORNING?

A. YES.

Q. WHAT WERE THE NATURE OF THOSE CALLS, SIR?

A. AS I SAID, I CALLED CONGRESSMAN HANSEN AT THE SUGGESTION OF BUNKER, IDENTIFIED MYSELF, AND I VERY DISTINCTLY RECALL, " I UNDERSTAND YOU HAVE AN INTEREST IN TRADING SILVER." HIS RESPONSE WAS, " NO, I DON'T, BUT MY WIFE, CONNIE HANSEN DOES. HOLD A MOMENT AND I'LL TRANSFER YOU TO MRS. HANSEN. "

HE DID SO, MRS. HANSEN PICKED UP THE PHONE. I AGAIN IDENTIFIED MYSELF, AND THAT I WAS CALLING AT THE SUGGESTION OF BUNKER HUNT WITH THE UNDERSTANDING THAT SHE HAD AN INTEREST IN

TRADING SILVER FUTURES. SHE REPLIED IN THE AFFIRMATIVE.

Q. MR. MING, ALL THE WHILE YOU ARE CALLING NEW YORK TO FORLENZA TO BUY THE 125 CONTRACTS OF SILVER, IS THAT NOT CORRECT?

A. I HAD VARIOUS AMOUNTS BEING WORKED AT THAT TIME. IT WOULD NOT HAVE BEEN THE ENTIRE 125 CONTRACTS.

Q. ALL RIGHT. HOW MANY CALLS DID YOU MAKE THAT ARE REFLECTED ON YOUR TOLL RECORDS BETWEEN THE BUNKER HUNT CALL AND THE 10:49 WASHINGTON, D. C. CALL?

A. I THINK I HAVE A TOLL FREE LINE TO FORLENZA.

Q. BUT YOU ALSO MAKE SOME TOLL CALLS DURING THAT PERIOD, DO YOU NOT?

A. YES.

Q. HOW MANY, SIR?

A. TO NEW YORK, THERE SEEMS TO BE TWO.

Q. HOW ABOUT TOTAL? TOTAL TELEPHONE CALLS BETWEEN THE FIRST HUNT CALL AND THE FIRST WASHINGTON CALL REFLECTED ON YOUR TOLL RECORDS?

A. FOUR, FIVE, 13 IT APPEARS.

Q. AND YOU ALSO HAVE A TOLL FREE LINE TO THE FLOOR IN NEW YORK TO MAKE YOUR SILVER PURCHASES?

A. AS I RECALL I DID. IT HAS BEEN FIVE YEARS AGO.

Q. AND YOU WERE RECEIVING CALLS FROM NEW YORK AT THAT TIME AS WELL FROM THE FLOOR?

A. THAT IS CORRECT.

345 - 350

Q. MR. MING, ISN'T IT A FACT THAT THE CONTRACTS, THE 125 CONTRACTS WERE PURCHASED PRIOR TO YOU CONTACTING THE HANSENS?

A. ABSOLUTELY NOT.

Q. YOU STILL MAINTAIN, THAT THERE WERE TWO TELEPHONE CONVERSATIONS IN THAT HOUR AND A HALF WHEN YOU MADE 13 TELEPHONE CALLS AND BOUGHT 125 CONTRACTS OF SILVER?

A. NINE OR 10. 10 PHONE CALLS TO NEW YORK PRIOR TO THE FIRST RECORDED CALLS FROM WASHINGTON. 10, I BELIEVE. NINE, NINE TELEPHONE CALLS.

Q. MR. MING, THE IMPORTANT QUESTION IS THIS. IS IT YOUR TESTIMONY THAT THE CONTRACTS WERE PURCHASED BEFORE YOU CONTACTED THE HANSENS, YES OR NO?

A. SOME.

MR. WEINGARTEN: IT IS A LOGICAL TIME FOR A BREAK, YOUR HONOR.

THE COURT: ALL RIGHT. WE WILL BE BREAKING, LADIES AND GENTLEMEN. IT IS AS CLOSE TO 3:30 AND WE COULD MUSTER. I UNDERSTAND THERE IS SOME COFFEE WAITING FOR YOU BACK THERE. PLEASE REMEMBER THE CONTINUING ADMONITION NOT TO DISCUSS THE CASE WITH ANYONE. WE WILL HAVE A 10 MINUTE RECESS.
MR. MING, YOU ARE OF COURSE IN THE MIDST OF YOUR TESTIMONY. I ASK YOU TO DISCUSS IT WITH NO ONE IN THE PERIOD OF TIME. WE WILL GIVE YOU FURTHER INSTRUCTIONS WHEN YOU HAVE COMPLETED YOUR TESTIMONY.

(WHEREUPON, AT 3:35, A 10-MINUTE RECESS WAS TAKEN.)

THE COURT: May I see counsel at the bench, please?

(Bench conference)

THE COURT: You could tell, when I pulled this piece of paper out, what was going to happen.

MR. WEINGARTEN: One of the jurors died of boredom?

THE COURT: Ms. Mills has just vomited. I have to give you all this diagnostic detail. She has not been feeling well. She is now beginning to run a temperature. We have both of our nurses out there, to whom I have been talking.

MR. WEINGARTEN: Is she No. 5?

THE COURT: I believe No. 5.

DEPUTY CLERK: No. 5, Your Honor.

THE COURT: She says she feels a little better now that she has vomited. Nonetheless, she doesn't feel very well. I think we are down to this, I am most reluctant to release here but she says, "I don't feel I am up to it." I think the combination of taking her blood pressure medicine, which she had not taken for several days even though she had been under doctor's orders to so do, and now taking her first valium which she apparently takes every night but had not taken for several days, all of these matters combined, plus I assume general excitement of something new, such as we are now confronted with, has just come to mean that we will have to lose Juror No. 5 and seat Alternate No. 1 in her place. Do you agree?

MR. LEWIN: Yes.

MR. WEINGARTEN: The first one on the list is what?

THE COURT: Alternate No. 1 is Harriett Wright. Yes, she is Harriett Wright. She is a cook in the D.C. Public Schools, 58 years of age.

MR. WEINGARTEN: I think on the list -- I might be wrong about it.

MR. LEWIN: I think what happened was probably she took the seat of Alternate No. 1 and Alternate No. 1 was stricken. That is what happens. So I don't know what the sequence is, whether it goes by seat or whether it goes by selection of alternate.

MR. WEINGARTEN: It is six of one half dozen of the other. It turns out if you are going by the list, she is not the one who is next up.

THE COURT: The one who is listed here, Harriett Wright, is not the one?

MR. WEINGARTEN: She is lower on the list than Barbara Robinson.

THE COURT: When we selected them, we selected Harriett Wright to be No. 1 and Alt. No. 2 to be Blondell Davis and Alt. No. 3 to be Barbara Robinson. Who is physically sitting in the seat, I wouldn't dream of telling you at this moment. That is who was selected.

MR. LEWIN: That is the list.

THE COURT: That is the list. That is my clerk's list. That is my list and I assume you people all kept your own independent lists. Okay?

MR. LEWIN: Yes.

(End of bench conference)

THE COURT: Why don't you bring Ms. Mills back in here. I will tell her she is excused from the jury and we will bring the jury back in here.

Counsel, I think it might be more humane if we do it up at the bench, because of the details of the problem, rather than do it at large, as long as we have it on the record.

(Bench conference)

THE COURT: Ms. Mills, you are Evelyn Mills, am I correct, and you are Juror No. 5?

MS. MILLS: Yes.

THE COURT: You have been sitting most attentively during the course of this trial to date but I do understand and I have been aware that you have not been feeling well, am I correct?

MS. MILLS: Yes.

THE COURT: Am I correct that you have a general problem of high blood pressure.

MS. MILLS: Yes, I do.

THE COURT: For some time you had not been taking your blood pressure medicine, at least the last few days?

MS. MILLS: That is correct.

THE COURT: Even prior to coming here to court for this jury trial?

MS. MILLS: Yes, ma'am.

THE COURT: We have contacted your doctor, through my staff, through the nurse, and you have just, perhaps today or yesterday, begun to take your blood pressure medicine?

MS. MILLS: That is correct.

THE COURT: Am I also correct you have had an opportunity to re-start your valium in the evening, your one valium you take every night and you have been taking for the last seven years?

MS. MILLS: That is correct.

THE COURT: But that, too, you had not been taking for some time immediately prior to coming to court?

MS. MILLS: That is correct.

THE COURT: Just a few moments ago, within the last 10 or 15 minutes, you had an upset stomach, am I right?

MS. MILLS: I did.

THE COURT: My marshal tells me you feel a little bit better now than you did before but not very good, is that correct?

MS. MILLS: That is correct.

THE COURT: Counsel and I have talked about your situation and much as we regret it, we are going to excuse you from service in this case and you will not be serving on this case any more. The marshals will accommodate you to get your belongings so that you can go home.

One thing I do ask of you, Ms. Mills, and I trust it is with the consent and acquiescence of counsel, is that until this case is completed, we would ask that you not discuss any matters that have occurred about this case with anyone.

MS. MILLS: I won't.

THE COURT: Now, after the case is over, and we have a decision, that is up to you, ma'am. All right?

MS. MILLS: Okay.

THE COURT: All right. Do counsel agree to that?

MR. LEWIN: Yes.

MR. COLE: Yes, Your Honor.

THE COURT: We wish you much better health and maybe in the next few days you will call my chambers and leave a message with my secretary, which I hope is, you are feeling much better.

MS. MILLS: Thank you.

THE COURT: I will be able to tell the counsel that.

Ms. Mills is excused from her service in this case and we will be substituting Ms. Harriett Wright, Alternate No. 1, in her place in the fifth chair.

(End of bench conference).

(Jury present at 4:00)

THE COURT: Ladies and gentlemen of the jury, as you can see, we have substituted our Alternate No. 1, Ms. Harriett Wright, in place of Ms. Mills, who as you all are very much aware was not feeling very well and we have excused her from her service in this case in light of her situation, and the diagnosis by the nurse, and the acquiescence of her doctor and the consent of counsel.

We ask that you continue, and we ask that you all stay in the best of health, as we progress as rapidly as we are able to in this case. We hope that you are comfortable, Ms. Wright.

MS. WRIGHT: Sure am.

THE COURT: Good. We shall continue.

Mr. Ming, we will have some more examination now.

BY MR. WEINGARTEN:

Q. Mr. Ming, when we broke for lunch, I believe we were discussing when you first contacted George Hansen.

A. Yes.

Q. Is that first contact reflected on your diary?

A. It is not.

Q. Is there a contact with George Hansen that is reflected on your diary on January 16th, 1979?

A. No.

Q. Why don't you look at 2:36 p.m., sir.

A. Over on the next page? I have a 2:36 comment, "George Hansen", with no comment.

Q. Do you recall what that would have been about, sir?

A. I have no idea.

Q. Why wouldn't you have indicated contact with George Hansen earlier, if it had taken place, on your diary?

A. This isn't a complete sequential of events that took place that day. This is just comments or notes that I put down. I can see a lot of reasons for what I did that day, although it was five years ago, possible reasons, probable reasons.

Q. What about the 2:36 p.m. notation "George Hansen"?

A. As I said, I have no idea.

Q. You did not think it was significant enough to note the first time you talked to Congressman Hansen?

A. He may have called me, because the last call I have to Washington is 2-24.

Q. That is right.

A. I don't know. I have no idea.

Q. As you sit here now, do you know why you didn't note on your diary your first contact with Congressman Hansen?

A. No. I would not necessarily have.

Q. Is there any reflection of contact with Congressman Hansen in your notation relating to Bunker Hunt and the 200 contract purchase order?

A. No.

Q. Mr. Ming, when you did make contact with the Hansens, what was the nature of the conversation?

A. As I indicated to you, when I talked to Congressman Hansen, I identified myself and made the statement that I understood he had some interest in the silver market. He immediately said, "No, I don't, but my wife, Mrs. Hansen, does."

Q. Did you ever learn how Mr. Bunker Hunt could have mistaken the two and asked you to call George Hansen first?

A. Well, no, I wouldn't seek to --

Q. Did you ultimately have a conversation with Connie Hansen?

A. Yes.

Q. What was the nature of that conversation, sir?

A. Again, I identified myself and told her the reason for my call, who referred me to her and understood she had an interest in silver futures, and she replied that she did.

Q. Do you have any obligation as a broker to explain the risks inherent in a commodities purchase?

A. I do.

Q. Did you in fact do that?

A. I did.

Q. How long did the conversation take place?

A. I would think it would have had to have lasted, plus or minus, ten minutes or more.

Q. You still say you squeezed that conversation in between 9:00 in the morning and 10:49 in the morning?

A. Very much.

Q. Even though you made how many calls?

A. Between 9:05 in the morning and 10:59 my time, yes, absolutely.

Q. How many calls again did you have in that period of time?

A. To New York?

Q. To anywhere.

A. Well, I don't know. Do you want me to count them?

Q. Didn't you count them before?

A. You asked me to count the number of calls I had in New York.

Q. No, I am talking about total calls.

A. They may not all be mine. There were other people.

Q. Do you recognize your calls in there? Can you tell?

A. Well, there are a couple of calls that I probably didn't make. The rest of them I probably did make.

Q. There are at least eight or nine calls to the floor in New York to buy silver, is that not right?

A. I talked to the floor a lot more times than that because they called me and we discussed the market and I gave them instructions and they went back. These are contacts, these are calls to the floor, I assume it is Forlenza. I don't recall the exact phone number.

Q. Did you have to get any information from Mrs. Hansen?

A. Yes.

Q. I hand you Government's Exhibit No. 28 and ask you, sir, if you can identify it, please?

A. That is the account information sheet. This was evidently prepared. This was not the handwritten one. It is typewritten and subsequently sent to Cargill in Chicago.

Q. You transmit that information to Cargill in Chicago?

A. There is a handwritten one that you have that this has been prepared from.

Q. The information, though, comes from where?

A. From Mrs. Hansen.

Q. It is transmitted to Cargill by whom?

A. Mrs. Dry, who was in my employ at the time.

Q. In Oklahoma city?

A. That is correct.

MR. WEINGARTEN: We move into evidence Government's Exhibit No. 28.

MR. LEWIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit
No. 28 was received into evidence).

BY MR. WEINGARTEN:

Q. Is there an indication on that document as to the net worth of Connie Hansen?

A. There is.

Q. What is that indication?

A. Over 250,000.

Q. Did she tell you that, sir?

A. I don't recall.

Q. Where would you have gotten that information?

A. It was probably an impression that I might have had.

Q. From what, sir?

A. Well, there is very little that we can ask because of federal law. My impression is that she was responsible. My impression from talking to her banker that she had handled her checking and banking relationships responsibly.

Q. In that customer registration form, there is an indication for net worth, is there not?

A. There is, but we can't require and do not require a net worth statement from them.

Q. The question is, you indicated on that, or you indicated to Cargill that she had a net worth of over $250,000?

A. That is correct.

Q. Did you make that number up or did she provide you with that information?

A. She did not directly provide me with that information, to the best of my recollection.

Q. So you made that number up? I mean, you don't know?

A. My impression.

Q. Does the rules and regulations of the commodities market require that a customer sign a risk disclosure statement?

A. That is correct.

Q. Mr. Ming, I hand you Government's Exhibit No. 29, sir, and ask you if you can identify it?

A. This is the normal risk disclosure statement to make sure that the client understands the risk involved.

Q. Is it signed?

A. It has a signature of Connie S. Hansen.

MR. WEINGARTEN: I move into evidence Government's Exhibit 29.

MR. LEWIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 29 was received into evidence).

THE COURT: May I see Nos. 28 and 29 for a moment, counsel? I believe the witness has them up there. My clerk will hand them to me, just for a moment.

BY MR. WEINGARTEN:

Q. Is the risk disclosure statement dated, Mr. Ming?

A. Say again?

Q. The risk disclosure statement, is that dated?

A. Yes, it is.

Q. What is it dated?

A. It is dated January 16th, 1979.

Q. Who filled out that date?

A. It would appear that Mrs. Hansen would have done so.

It looks like in the same ink.

Q. Did you send her the risk disclosure statement?

A. Yes.

Q. You would have sent it the day the contracts were purchased?

A. That is correct.

Q. So it was obvious, is it not, that Mrs. Hansen didn't sign that risk disclosure statement on January 16th, 1979?

A. Well, that is the date that the contract or that the account was opened and Mrs. Hansen agreed to open the account and trade the commodity, and my opinion, it is very appropriate that she date it on January 16th, because that is when the trade occurred.

Q. It is clear, though, she didn't sign that document on January 16?

A. Obviously not.

Q. You sent it in the mail she signed it sometime later and sent it back to you?

A. That is correct.

Q. She signed it long after --

A. This is a common practice, however.

Q. Are you not required by commodities rules to have a signed risk disclosure statement in hand prior to doing business for a customer?

A. No, not that I recall. Risk disclosure statements at that time was a relatively new regulation, back in 1979. I don't think it is possible to open a new account for someone who lives in another town. We did most of our business over the telephone -- and have that in hand before trade takes place.

Q. Mr. Ming, what is the purpose of having a risk disclosure statement if it is not signed by the customer until the shooting is over?

A. Well, that is open to conjecture.

Q. If a commodities expert testified in court this very day that you couldn't do business with a customer until that risk disclosure statement is signed and in hand, would he be correct or incorrect?

A. I would suggest that he is technically correct but in practice incorrect.

Q. Mr. Ming, in whose account were those 125 contracts first purchased?

A. Partially, the first 5, 10, 15, probably in Bunker's account. The rest, whenever I had talked to Mrs. Hansen, the rest of them were purchased in her account.

Q. So you acknowledge that the first accounts that you purchased on January 16th, pursuant to Mr. Hunt's order, went into Mr. Hunt's account?

A. Pursuant to his instructions of: Mr. or Mrs. Hansen didn t want them, he wanted them.

Q. At some point, did you call Stuart Goldberg of

Cargill and tell him to put those 125 contracts in another account?

A. I don't recall whether I did personally or Mrs. Dry may have, when filling out the account papers. I know that I contacted the floor and told them that the account was not to be in Mr. Hunt's account, it was to be in the new account. I believe 32008, which is Mrs. Hansen's account.

Q. When you made that call, Mr. Ming, all the contracts had been purchased?

A. That is not true.

Q. You made the call before 10:10 in the morning?

A. Made the call to whom?

Q. To anybody.

A. I made a lot of calls before 10:10. To whom are you speaking of?

Q. Do you recall telling Stuart Goldberg, after the 125 contracts were purchased, to change the account number from Nelson Bunker Hunt's account to Connie Hansen's account?

A. I don't recall it, no.

Q. Are you saying you didn't do it, sir?

A. I don't recall calling Mr. Goldberg. More than likely, it was Mrs. Dry.

Q. Did you instruct Mrs. Dry to call Cargill in Chicago and to tell Cargill to place those 125 from Nelson Bunker Hunt's account into a new account for Connie Hansen?

A. No. What Mrs. Dry would have done in processing a new account papers would be to resolve any possibility that that account would not be in 32008. She would be talking to Stuart Goldberg. I may have called Stuart Goldberg that morning and told him that I had a new account, that I was trading for a new account. I just don't recall.

Q. Just so --

A. Mrs. Dry may have. I just don't recall.

Q. Just so we are clear, just so we are perfectly crystal clear on this point, did you call either New York or Chicago after those 125 contracts were purchased and instruct a representative of Cargill to transfer those accounts from Nelson Bunker Hunt's account, transfer those contracts from Nelson Bunker Hunt's account to a new account in the name of Connie Hansen?

A. After they were all purchased?

Q. Yes.

A. To the best of my recollection, no.

Q. When would you have placed such a call?

A. I didn't make the call.

Q. You never instructed anyone to transfer the accounts?

A. I would have never instructed anybody to move 125 contracts out of one account to another. To the best of my recollection, I did not.

Q. Did you instruct anyone to transfer any accounts?

A. Mr. Weingarten, when I initially commenced the purchase of silver, I only executed for one account primarily at that time. I didn't have account numbers that I recall, I may have, for other members of the Hunt family. The people on the floor of the Comex know me. They know my voice. The people at Cargill know me. They know my voice. They know when I call and have business to transact it is for Mr. Hunt. Doing business in any account other than Mr. Hunt would have been unusual for me.

Now, whether I had instructed the floor to write 32001, which is Bunker's account, or some other account number, doesn't mean that there is anything irregular going on.

Q. I am not suggesting there is, Mr. Ming. I am just trying to establish the fact that 125 contracts were purchased by 10:10 in the morning Oklahoma time, is that correct?

A. It would appear that the contracts had been, all that I was going to buy, was probably at around 10:10. I see by additional comments here that I probably did stop buying, at or around that time.

Q. From your testimony, at least some of those contracts were purchased in Bunker Hunt's account?

A. Ten, 15, 20, 50, I don't know. But not all of them.

Q. How come you are so sure not all?

A. Mr. Weingarten, Mr. Hunt doesn't do business that way nor do I.

Q. What is "that way"?

A. To buy contracts for his account and transfer them to someone else.

Q. Mr. Hunt doesn't do business that way, is that correct?

A. No, sir, he does not, never has through me. I do not either.

Q. So you are saying not all the contracts were bought but some of the contracts were bought and then the transfer took place?

A. That is probably what happened, because at the outset I didn't know whether Mr. Hansen or Mrs. Hansen, rather, wanted them or not. So obviously I had an obligation to commence buying.

Q. The market went up that day, did it not?

A. It went up substantially. I don't know how much. At that time -- you have time and price -- I don't recall that it had moved by 10:10 so terribly much because those prices are fairly closely grouped. Later on in the day, as I note here from some comments that I have written down, that it probably moved very much away and I advised Mrs. Hansen not to chase the market. I think that is what the 10:59 call is.

Q. The 10:59 call is one minute?

A. That is correct.

Q. That is when you advised Mrs. Hansen?

A. Not to chase the market.

Q. It didn't take place at 1:22 during the seven-minute call?

A. No because the market is primarily over. At the end of the day you only have a switch market. You can't buy outright.

Q. Mr. Ming, isn't the truth, the first substantive call you had with the Hansens was after the market closed and after the 125 contracts had been purchased and after the market went up?

A. No.

Q. I see. What happened the next day, sir?

A. We had an order to sell the 125 contracts at, I don't recall the price, I think it was eight thirty-six fifty. They were at risk all day the 17th because the market did not get to that point and we were not executing.

Q. Basically, you had instructions to sell at a particular price or your goal was to sell at a particular price, the market didn't reach it so you didn't sell?

A. That is correct. In discussing with Mrs. Hansen and what I thought the market might do, given some of the facts here that are commented on later on in the 16th, I suggested that we put a price parameter of eight thirty-six fifty, I think, and she agreed. The price parameter was not met.

Q. Whose decision was this?

A. It was a mutually arrived decision. It was in discussion with Mrs. Hansen.

Q. Did the mutuality involve Nelson Bunker Hunt?

A. It did not.

Q. Are you certain of that?

A. I am.

Q. Did Mr. Hunt make any recommendations as to the silver?

A. He did not.

Q. Are you certain of that, sir?

A. I am.

Q. Would your answer be any different if you knew that Mr. Hunt testified that it was his recommendations that caused the sale and the purchase of this silver?

A. It wouldn't make any difference, Mr. Weingarten, because Mr. Hunt didn't give that information to me. Whether he gave it to someone else or not, I don't know.

Q. How many times did you talk to Mr. Hunt that day, sir?

A. Well, let's count them: One, two, three, four, five, six, seven times.

Q. At no time did he make any recommendation as to what to do in the Hansen account?

A. He did not. We had other contracts to concern ourselves about.

Q. Mr. Ming, were the contracts eventually sold, sir?

A. Say again?

Q. Were they eventually sold?

A. Which contracts?

Q. The Connie Hansen 125?

A. They were sold, I believe, on the morning of the 18th.

Q. Can you tell, from Government's Exhibits, in particular, Government Exhibit 30B what the nature of the sale was and what the result was?

A. If you will give me 30B.

Q. I think it is sitting there. It is the Cargill compilations.

A. We sold 8 at six thirty-five, 37 at six thirty-seven fifty. We had an open order to sell, I believe, on the 17th at six thirty-six fifty. We continued with that price parameter at the morning of the 18th, and in my opinion the market was beginning to weaken. I think we had a conversation prior to that, that if it began to weaken I would suggest we move out at whatever price we could get. She agreed and I did so. That was the result of it.

Q. What was the bottom line figure?

A. The bottom line figure? Which bottom line figure?

Q. Was money made in the sale?

A. Money was made.

Q. How much?

A. I believe it was 87,000 plus.

Q. Did Nelson Bunker Hunt have any role in the decision to sell?

A. He did not, not through me.

Q. Mr. Ming, there has been some testimony that a margin is required to be produced before the profit can be sent to the customer?

A. That is correct.

Q. And how much money needed to be produced in this instance before Connie Hansen could get the $87,000?

A. 125,000.

Q. Why is that?

A. The margin requirement at that time was $1,000 a contract.

Q. Is it fair to say that $125,000 had to be produced by the Hansens before they could get their $87,000?

A. That is correct.

Q. Of course, they get the $125,000?

A. That is correct.

Q. What role did you have in the production of the margin?

A. I didn't have any.

Q. Did you have conversations with anybody concerning the margin?

A. Obtaining the margin?

Q. Did you have conversations with George Hansen?

A. No.

Q. Did you have ever conversations with George Hansen about the silver transaction at all?

A. No.

Q. Do you remember --

A. Not until afterwards, after it was completed. The only conversation I had with George Hansen, to my recollection, is that he called and wanted to just inquire if everything that had been handled to my satisfaction and that was it, period.

Q. You don't recall having a conversation with Congressman Hansen about the margin requirements?

A. I had no conversation with Congressman Hansen regarding the margin requirements, to the best of my recollection.

Q. What was the nature of the conversation you had with him you just testified about?

A. My notes reflect that on the 19th, I believe, Congressman Hansen called at 1:09, wanted to make sure that everything was done to our satisfaction. I assured him it had been handled very properly. That was on the 19th.

Q. How had it been handled, do you know?

A. Very properly, in my opinion.

Q. Do you know?

A. Very properly.

Q. Was he talking about the handling of the margin?

A. That is what you are asking me, is it not?

Q. Do you know how the margin was handled specifically?

A. I know that it was wire transferred to the Continental Illinois Bank in Chicago for the account of Cargill Investor Services on a timely manner. That is all I know about it.

Q. That is all you know about it?

A. That is correct.

Q. Just two or three more questions, sir. January 16th, Nelson Bunker Hunt tells you to buy 200 silver contracts and give the Hansens or give George Hansen, he said originally, any amount he wanted of it, is that correct?

A. He said to call George Hansen. If he is interested, he can have all or any part of it. If he doesn't want any of it, I will take it. Take what he wants to, I will take the rest, whatever.

Q. Of course, the telephone call that you made to Washington produced a purchase of 125, is that correct?

A. The purchase of 125 was done at my decision. It was my decision to stop buying, and I recommended to Mrs. Hansen and to the best of my recollection, that is reflected in the 10:59 call, that I advised Mrs. Hansen not to chase the market, for the reason simply that I could comment on, if you asked.

Q. What happened to Mr. Hunt's 200? Did he just say, "The Hansens want it, that is okay by me, I won't buy the 200." Or did you then buy 200 for Mr. Hunt?

A. He did not proceed to buy that day.

Q. Again, I think you have testified, you have never engaged in trading in such a manner with anyone else unrelated to the Hunts, is that correct?

A. That is correct.

Q. Mr. Ming, if Connie Hansen had lost money in this deal, would you have been exposed in any way financially?

A. Yes, sir.

Q. How would that have come about?

A. I am the executing broker.

Q. Mrs. Hansen had lost a lot of money and couldn't come up with the money, what would have happened to you?

A. I would have had to come up with it.

Q. That being the case, you simply filled out the customer registration form, put down over $250,000 and carried out the contract with no further assurances?

A. That is correct.

Q. Isn't it true, sir, that these contracts were in effect guaranteed by Nelson Bunker Hunt?

A. That is not true.

MR. WEINGARTEN: Thank you, sir.

THE COURT: Cross-examination.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. Mr. Ming, you have testified, I believe, in answer to Mr. Weingarten's questions, that you did talk to Mrs. Hansen during this three-day period --

A. Yes.

Q. -- from the time the contracts were purchased on the 16th, was it?

A. That is correct.

Q. Through until the 18th?

A. That is correct.

Q. On approximately how many occasions do you think you spoke with Mrs. Hansen?

A. Well, from the phone log on the 17th, I talked to Mrs. Hansen at 9:06 on the 17th.

Q. Can you tell us in substance what you think you said to her at that time?

A. I told her, "I think we decided on the price parameter." We may have done it the previous day, but I reported to her what the market was doing, how it was trading, what the prices were, probably said, "In my opinion, let's stay with this price. The market looks good today." She evidently agreed. We did so.

I called her again at 1:22 on the 17th, obviously told her we were not executing but the market looked good, I would suggest that we stay there for the time being. However, if the market began to weaken on the 18th, I would suggest that we take what we could get and go.

Q. Did you talk --

A. Take whatever profit we get and get out of the market.

Q. Did she agree with that?

A. To the best of my recollection, she did.

Q. Did you talk to her again on the 18th?

A. At 8:55 I called the Hansens, yes, Mrs. Hansen, and gave her a report of what the market was trading like. I talked to her again at 9:17.

Q. That is on the 18th?

A. On the 18th, probably to tell her we were out.

Q. Would you look at your handwritten notes, contemporaneous notes, for the morning of the 18th. Would you tell us whether those contemporaneous handwritten notes confirm any of the conversations that you have now described?

A. At 8:57, I have a note, "Mrs. Hansen told me to exercise my judgment, market not held." That is on the 18th.

Q. Those notes were sitting on your desk -- you sit at a desk when you make those phone calls?

A. That was probably part of the order form, "market not held".

Q. I was just saying that handwritten note you just read from is made contemporaneously with the telephone conversation?

A. Oh, yes.

Q. It says specifically that Mrs. Hansen --

A. -- Told me to exercise my judgment, market not held.

Q. Now, Mr. Weingarten has gone with you, into some detail, on the question of exactly when you first contacted Mrs. Hansen on the 16th. Could you tell us, just laying that totally to one side, even assume that the first contact with Mrs. Hansen had been after all these contracts had been purchased, would Mrs. Hansen have been at risk on the 16th and the 17th and the 18th?

A. She would.

Q. Could you please describe for us the magnitude of that risk?

A. The risk would have been as much as 20 cents, up or down, because that is the limit, trade limits, that were in place at that time. If she had acknowledged that trade one minute, three minutes, five minutes, before the close, she was at risk of a limit move. It has happened before. It could happen.

Q. So that even if the full 125 contracts had been purchased and then she had been told, "All right now it is being transferred to you," she could have lost up to 20 cents?

A. Per contract.

Q. Per contract?

A. Per ounce.

Q. Per ounce. I don't know whether you can do any quick arithmetic?

A. She could have lost 125 contracts, she could have lost 10,000 times 125.

Q. All right. Now, you have, at Mr. Weingarten's request, made a computation of the total value of the silver on that yellow sheet.

A. Yes.

Q. Can you tell us whether, in your experience, in dealing in the silver futures, does that calculation have any relation to reality?

A. It is irrelevant.

Q. Because?

A. Well, this is the cash price. If one were going to take delivery. Actually, for all practical purposes, the value of that commodity would change on the next tick or the next trade.

Q. So people who deal in silver futures are not risking $3 million, for example?

A. By no stretch of the imagination.

Q. When you said there is a 20 cent limit, does that mean that is the limitation?

A. That is the trade limit in any one day, up or down, from the previous night's close.

Q. Now, Mr. Weingarten has directed your attention to Government's Exhibit No. 28, which was the new customer form, is that what it was? What is it called? I am sorry. It is the form --

A. Customer information form.

Q. Yes. Now, Mr. Ming, he said did you make up that $250,000 figure. Just for the jury's edification, does one write a figure in that box or is it a matter of checking off a box?

A. Checking off a box.

Q. In fact, over $250,000 is the highest net worth that appears on that form?

A. That is correct.

Q. So you were testifying that you made the assumption that this lady had the value of the highest that appeared on that form and she could have checked it off?

A. That is correct.

Q. You didn't write any number in on the form, did you?

A. That is correct.

Q. Now, Mr. Weingarten also directed your attention to what is called the disclosure statement, which is Government Exhibit 29.

A. Yes.

Q. He asked you about the date on that disclosure statement, which appears at the lower left-hand corner under Mrs. Hansen's signature the date of 1-16-79.

A. Correct.

Q. Is it not a fact that that document contains a date, as well, a typed date, in the upper right hand corner?

A. Yes, it does.

Q. So that really the date of the document, in the lower left-hand corner matches the typed date in the upper right hand corner?

A. That is correct.

Q. They were both just January 16th, 1979?

A. That is correct.

Q. In your experience, is it customary that people who receive it simply sign it and follow the date that appears in the upper right hand corner?

A. That could very well be, yes.

Q. By the way, you mentioned a Mrs. Dry in the course of your testimony. Who is Mrs. Dry?

A. Mrs. Dry was my office manager at that time, an associate, very experienced lady.

Q. In terms of doing things or giving instructions on things such as forms, would it be Mrs. Dry frequently who would carry out those ministerial instructions?

A. She would do it without my instructions. She knew what had to be done.

Q. Stuart Goldberg, whose name come up, would she deal with Stuart Goldberg on things like providing information?

A. Very likely.

Q. Now --

A. In fact, that was part of her responsibility.

Q. Back on that risk disclaimer statement, did you testify that you told Mrs. Hansen on the phone about the risks?

A. I did.

Q. In substance, what appears on that statement?

A. I reviewed the silver parameter that was 5,000 ounces per contract, and the limit move was up or down 20 cents, that the margin requirement was $1,000 per contract and the method of payment that would be expected, so on, et cetera. Essentially, I went into as much or more than what is on here.

Q. Mr. Ming, with regard to this silver transaction, did you subsequently learn that there had been a blackmail attempt based on that transaction?

A. I learned of it two years, two and a half years, later.

Q. Did you subsequently learn who was culpable in that blackmail?

THE COURT: Just don't answer for a moment, Mr. Ming. Counsel to the bench.

(Bench conference)

MR. WEINGARTEN: I respectfully request a proffer at this point.

MR. LEWIN: Since the blackmail matter came up and has come up and is proper in terms of considering the response to it, I just think it should not be a mystery. I am not going to go into any great detail but I wanted to establish it was his employee who did it without his knowledge, that the employee pleaded guilty. Mr. Campbell also tells me that he thinks that Mr. Hunt mentioned in his testimony that it was Mr. Ming's employee who did it.

THE COURT: I am not confident. He may or may not have. I really don't recall that. One of the problems is, of course, that Mr. Ming may not be as tuned in as you are to the fact that he is supposed to keep his testimony in this regard most confined. If he is as angry as the papers have indicated throughout here about that particular employee, and he has certainly shown his anger today in other respects, the gentleman is not shy about expressing himself.

I am most concerned that he might just start rolling to things that will be hard to put back into a bottle again. It is like a genie that escapes from the bottle and then all sorts of interesting things might develop that have really not that much relationship to this case but certainly can have the jury's attention rivet to matters where they should not be focused. We never know how these things fall.

I think it is dangerous to both sides really. It might even be more dangerous to the defendant than to the prosecution. That is merely my view of it.

MR. LEWIN: I would certainly propose, Your Honor, that either if Your Honor wishes or we can call the witness up here and tell him he should confine his answers, or I will tell him that in the course of my questions, simply to confine the answers.

THE COURT: Do we have a stipulation?

MR. WEINGARTEN: You took the words right out of my mouth.

THE COURT: You had that look like you were going to do that.

MR. LEWIN: I am prepared to stipulate to the jury that if we can do it now that the blackmail letter was written by Arthur Emens.

MR. WEINGARTEN: I think this is the kind of thing that counsel should hammer out outside the presence of the jury and we will read it to the jury tomorrow.

THE COURT: Can we do that tomorrow, have an agreement? You can reach some sort of language so you will not have to call a witness whom you may otherwise have to call, whether or not you use Mr. Emens's name. Perhaps it is merely enough to say he was an employee of Mr. Ming's.

MR. WEINGARTEN: If all Mr. Lewin wants is that the blackmailer was Arthur Emens, an employee of Leslie Ming and that he pleaded guilty to blackmail, we can hammer out a stipulation in two seconds.

THE COURT: I think it is dangerous with Mr. Ming. I mean that is why I have asked you to --

MR. LEWIN: I would like the jury to be told that what I was going to be asking Mr. Ming about will be the subject of a stipulation.

THE COURT: Wonderful. I will say that but I won't tell them what the stipulation is.

(End of bench conference)

THE COURT: Ladies and gentlemen of the jury, the counsel are going to work out a stipulation overnight concerning this matter, and it will be read to you among the first things tomorrow morning so that Mr. Ming will not have to go into some detail at this time and we can all save ourselves considerable time.

BY MR. LEWIN:

Q. Mr. Ming, you have testified, I believe, to a very brief conversation that you did have with Congressman Hansen in which he stated that it was Mrs. Hansen who was interested -- who might be interested in possible trading in silver futures.

A. That is correct.

Q. Is it possible that that conversation, with Congressman Hansen, occurred at some point later in the series of conversations that you have described to the Court and jury, rather than in the first conversation in which you called?

A. No.

Q. You don't think so?

A. If I understand your question correctly, counsel, my first call was to Congressman Hansen. So he was the first person I spoke to in that office.

Q. All these events took place back in 1979, is that correct?

A. January of 1979, yes.

Q. January of 1979.

My question to you, Mr. Ming, is whether, in terms of what Mr. Hunt said to you originally -- you have testified that Mr. Hunt said to you that you should contact Congressman Hansen, is it possible that what he said to you at that point was that you should contact Mrs. Hansen, who can be found in Congressman Hansen's office?

I will ask you, before you answer that question, whether it would refresh your recollection to look at a report which the FBI did of an interview --

THE COURT: Mr. Lewin, let's see if he can answer without refreshing his recollection, which is the customary way of proceeding, if you know.

THE WITNESS: No, I don't recall the instructions being posed in the manner you suggest.

BY MR. LEWIN:

Q. Let me just show, which I will mark for identification.

DEPUTY CLERK: Defendant's Exhibit No. 11 marked for identification.

(Whereupon, Defendant's Exhibit No.
11 was marked for identification).

BY MR. LEWIN:

Q. Defendant's Exhibit 11 marked for identification. Do you recall that in December of 1981, you were interviewed by a special agent of the FBI called Thomas Hoy and Agent Ware?

A. Yes.

Q. Let me show you Defendant's Exhibit 11 for identification, specifically, the second paragraph, and the line that I have underlined in red over there, and just read that to yourself.

A. My best recollection, Mr. Lewin, is that Bunker suggested that I contact George Hansen. In doing so, Mr. Hansen immediately advised me that he was not interested in trading commodities, or in trading anything particularly, as I recall it, but Mrs. Hansen might be.

Q. But looking at that document before you, is it possible that you told the FBI agent on December of 1981 that what Mr. Hunt had told you was to contact Mrs. Hansen, and that it is only since that time, in thinking this matter over -- you had to appear before the grand jury on two occasions, is that right, or several occasions? Mr. Weingarten and Mr. Coal called you for --

A. Counsel there is --

THE COURT: Mr. Lewin, I think we have about three questions at the moment.

THE WITNESS: There are several inconsistencies in this report.

THE COURT: Mr. Ming, fine.

THE WITNESS: Excuse me.

THE COURT: Let us hear one question at a time from Mr. Lewin. I think you had three or four of them there and none of them were answered.

BY MR. LEWIN:

Q. Let me remove all the prior questions and let me ask it this way: You had to repeat the account of that day on a number of times, haven't you, to FBI agents, to Mr. Weingarten and Mr. Cole, and they have asked you over again about those events?

A. Yes.

Q. What I am asking you is, is it possible that when your recollection was at its most pure, which is back in December of 1981 and the FBI agents first came to talk to you, that you then accurately reflected to them that Mr. Hunt had told you to call Mrs. Hansen?

A. Mr. Lewin, to the best of my recollection, and I am not saying that my recollection might have been more pure then than now, but to the best of my recollection, and I have been over this transaction in my mind thousands of times since this thing has begun, that Bunker suggested that I call Congressman

George Hansen, and Congressman Hansen immediately advised me he was not interested but Mrs. Hansen might be or was interested. He transferred me to Mrs. Connie Hansen, and I had no more discussions with George Hansen, until he called to see if everything went well.

Q. I understand. Is it what stands out in your mind is one conversation with Congressman Hansen in which he says, "It is my wife who has got this interest"?

A. That is correct. There is no question about that.

Q. Is it possible, again I put to you, in light of what we have just said, that maybe that one fragment of conversation that sticks in your mind, the Congressman saying to you, "It is my wife who has this interest," happened at some point later in the series of conversations during those three days, during which Mrs. Hansen put the Congressman on the telephone just to say, hello?

A. No, I didn't talk to him at all after that.

Q. Assuming that there was just one time that you talked to him, is it possible that you talked to him either later on the 16th or sometime on the 17th, she just put him on the phone that one time to say, hello, and he said, "It is my wife who is interested in silver futures and I have no interest in it"?

A. As I understand the question that you have posed, to repeat my answer, Bunker told me that George Hansen might be interested in silver transactions, in buying some silver, or words to that effect.

Again, he gave me his phone number. I believe, and I believe very strongly, that I called Congressman Hansen person-to-person. He was not available. I identified myself. He returned my call.

The only other alternative is that I know Congressman Hansen had my number and he may have called me. I don't think he did that. I think that I initiated the call.

Congressman Hansen returned my call. I identified myself, the reason for my call, who referred me to him, and he immediately said -- his words stand out very vividly in my mind -- "No, I am not interested, but I believe my wife is. Let me transfer you to Mrs. Hansen," at which time he did so.

MR. LEWIN: Fine. I have no further questions.

THE COURT: Redirect?

MR. WEINGARTEN: I know Mr. Ming desperately wants to catch a plane. All I want to do is introduce this chart at this time, Your Honor.

I think he can make it, if he leaves now, Your Honor.

THE COURT: What are you saying, gentlemen?

MR. WEINGARTEN: No further questions.

THE COURT: You don't need the witness here any longer?

THE WITNESS: I am dismissed?

THE COURT: Mr. Ming, just wait. I will dismiss you.

You are dismissed, Mr. Ming. I would ask, of course, that you not discuss your testimony with any other possible witness until this matter is completed. Have a good day.

THE WITNESS: Thank you.

THE COURT: There are numerous exhibits up here in the witness chair, and if they could be gathered by the clerk, that would be appreciated.

MR. WEINGARTEN: With the Court's permission, I would like to place on the 1979 chart some items.

THE COURT: Is that chart numbered?

MR. WEINGARTEN: It is numbered 8B.

I would next request to place the first item on the chart, another item on the chart.

THE COURT: Mr. Weingarten, turn it just a little bit this way so I, too, can see what is going on.

MR. LEWIN: I am nodding here, but, Your Honor, obviously as to that --

THE COURT: I can't see that.

MR. LEWIN: That may be the government's theory but that is not the witness' testimony.

THE COURT: Then we should turn it away from -- let's see.

MR. WEINGARTEN: January 16th, I think Mr. Ming testified that that is in fact what occurred.

MR. LEWIN: "Contracts placed in account opened", the question is the sequence. I think he was quite adamant that not all the 125 contracts had been purchased before they were placed in the account. That is the government's theory, I understand.

THE COURT: It doesn't say specifically that. That can be read into, that but it doesn't say that. Other things can be read into it also.

MR. LEWIN: All right.

MR. WEINGARTEN: Thank you, Your Honor.

THE COURT: What is next on our agenda, Mr. Weingarten?

MR. WEINGARTEN: There is a witness who really would like to get out of here. It is not a long witness.

THE COURT: I am sure the jury feels the same way. I did tell you I couldn't go beyond 5:15 today. You have been knowing about that since the beginning of the trial.

MR. WEINGARTEN: I think we can finish with Stuart Goldberg.

THE COURT: Whether we finish or not, 5:15 is the hour, gentlemen, give or take three minutes or so, but "or so" is exactly right.

Whereupon,

STUART PERRY GOLDBERG

was called as a witness by counsel for the Government and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

THE COURT: Good afternoon, Mr. Goldberg.

THE WITNESS: Hello.

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. Your name, sir?

A. Stuart Perry Goldberg.

Q. Spell your last name?

A. G-O-L-D-B-E-R-G.

Q. Where do you live, Mr. Goldberg?

A. In Lisle, Illinois.

Q. I am sorry?

A. Lisle, Illinois.

Q. Is that near Chicago?

A. Yes, it is about 25 miles away.

Q. How are you employed, sir?

A. I am employed at Cargill Investor Services in Chicago.

Q. In what capacity?

A. Margin manager.

Q. Very briefly, and in layman's terms, what does that mean?

A. Very briefly, I am responsible for the risk control, from the company's point of view, in terms of opening up new accounts, in terms of monitoring the risk volatility of the market in relation to our customers' positions, opening up new accounts, customer service, and that is it.

Q. In that regard, did you have contact with a gentleman named Les Ming on January 16th, 1979?

A. Yes, sir.

Q. In fact, did you set up an account on that day?

A. Yes, sir.

Q. An account for whom?

A. An account for Mrs. Connie Hansen.

Q. Did you receive any preliminary information from Mr. Ming?

A. Yes, I did.

Q. Did you record that information on a document?

A. Yes, I did.

Q. Let me hand you what has been marked as Government's Exhibit 33 and ask if you can identify it?

A. Yes, this is the note I wrote in opening the account.

Q. What information does that reflect?

A. It reflects the fact that I had a change in account number on some orders, to open up a new account. It gives the name and address of the new account and some other detailed information that would be necessary for government reporting.

Q. You mentioned a change. Could you be more specific? What change took place in this account, sir?

A. I received a phone call saying that an account number had to be changed on some orders I received.

Q. Who did you receive that phone call from?

A. Les Ming.

Q. Did you know Ming prior to this date?

A. I had never met him, but I had spoken to him several times.

Q. In what connection?

A. In terms of an account executive relationship to the company.

Q. Again, what instructions, as specifically as you can recall, did you receive from Mr. Ming?

A. Specifically, he told me to change or he needed to change the account numbers on some orders we received.

Q. Did he mention from what account the number was to be changed and into what account the -- from where to where were the accounts to go?

A. I don't remember him saying where it was coming from, but I remembered him saying that they had to be put into Account No. 32008, which had yet to be established.

Q. Did you associate Mr. Ming with any particular customer that Cargill may have?

A. Yes. He almost exclusively handled Mr. Hunt's and the Hunt family accounts.

Q. Did you note the change on any documents that came into your office in Chicago?

A. Yes. I noted them on the telexes that we received that gave us the fills of the orders.

Q. I hand you what has been Government's Exhibits 34A, B, C, D, and E and ask you, sir, if you can identify them?

A. These are copies of the telexes we received in Chicago, on which I noted the account number change.

Q. What in fact was the change, Mr. Goldberg?

A. They were changed from Account No. 32001 to Account No. 32008, all except for the last one.

Q. Whose account is 32001?

A. 32001 is Nelson Bunker Hunt.

Q. What was the change to?

A. 32008, which was to be the new account number for Connie Hansen.

Q. That last item that you mentioned where there was not a change, would you turn to it, please? I think it is 34E. Is there a time stamp on that document, sir?

A. Time stamped at 1330 p.m. Chicago time.

Q. What time is that?

A. That is 1:30 p.m.

THE COURT: That is 1:30 p.m. where?

THE WITNESS: Chicago time.

BY MR. WEINGARTEN:

Q. To your knowledge, sir, what time does the market close?

A. The market closes, I believe, at 2:15 or 2:30, New

York time.

Q. What time would that be Chicago time?

A. 1:15 to 1:30.

Q. So by the time you received that document the market was closed?

A. That is correct.

Q. How many contracts are indicated by that last document?

A. Twenty-one contracts.

Q. Can you quickly total the amount of contracts that had already been purchased or that had been purchased and needed to be changed?

A. One hundred and four had to be changed.

Q. How many?

A. One hundred and four contracts had to be changed.

Q. Check Government Exhibit 33, if you would. That is the memo.

A. Yes.

MR. WEINGARTEN: Just for completeness, at this late hour, I am not sure, but I move into evidence Government Exhibits 33, and 34A through E.

THE COURT: No objection?

MR. LEWIN: No objection.

THE COURT: In evidence.

(Whereupon, Government's Exhibit Nos.

33 & 34A-E were received into evidence).

BY MR. WEINGARTEN:

Q. Look at the notation on the very top of that memo. What does it say?

A. It says, "Change order, account numbers, bought 125 marg. silver."

Q. What does that indicate to you? What did Mr. Ming instruct you to do?

A. He told me there were 125 contracts changed and that all of them had to be Account No. 32008.

Q. Did Mr. Ming instruct you to change all of the account numbers, all the contracts that had been purchased?

A. I can't recall that specific instruction.

Q. What does that indicate to you on the top of that memo?

A. Just on the basis of this memo, it appears that I would have had to have changed all of them.

Q. Did you have anything to do with the $125,000 in margin money that was received by Cargill before the profit could be sent to Connie Hansen?

A. Yes, I was to see to it that upon receipt of the monies that it was to be credited to the Hansen account.

Q. Was in fact the money received?

A. Yes, sir.

Q. Finally, Mr. Goldberg, I hand you Government Exhibits

35 through 37, after I show them to defense counsel.

Government's Exhibits 35 through 37, what do they represent, sir?

A. These are carbon copies of the statements that Cargill Investor Services issued. One was a monthly statement. One is a daily statement from our firm and the other is a copy of wire transfers going out and coming in.

Q. Going out and coming in from where?

A. Actually, there is only one here going out.

Q. What does that represent, sir?

A. It represents a debit to the account of Cargill Investor Services, being credited to First Security Bank of Idaho, Pocatello, Idaho, and the beneficiary was Mrs. Connie S. Hansen.

Q. How much money went to the bank in Idaho?

A. $212,475.

Q. What does that represent?

A. It represents the profits, plus the margin deposit, in the account.

Q. Prior to Cargill sending out the two twelve, what had to be received?

A. The margin monies.

Q. Is it indicated there where the money was received from?

A. Not in any of the copies that I received.

Q. Does it indicate that in fact the money was received?

A. Yes, sir.

MR. WEINGARTEN: We move into evidence Government's Exhibits 35 through 37.

MR. LEWIN: No objection.

THE COURT: In evidence.

(Whereupon, Government's Exhibit Nos. 35-37 were received into evidence).

MR. WEINGARTEN: Thank you, Mr. Goldberg.

THE COURT: Cross-examination.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. Mr. Goldberg, it appears from the telexes, does it not, that 24 of the contracts were in account 32008 and did not have to be changed?

A. Twenty-one of them.

Q. Twenty-one, I am sorry.

A. Yes.

Q. Did not have to be changed?

A. That is correct.

Q. That would be consistent with the account number being changed in the course of the purchase of these various contracts during the day?

A. I would say so, yes.

Q. Now, you have testified here, Mr. Goldberg, to a telephone conversation -- was it a telephone conversation you had with Mr. Ming?

A. That is right.

Q. And it is your testimony that you recall that telephone conversation?

A. Yes, sir.

Q. You were interviewed with regard to this matter back on February 8th, 1982, by Special Agent Robert H. Gibson, of the FBI, in Chicago?

A. I am not sure of the date or the person's name, but yes.

Q. That was February of 1982?

A. Yes, I think so.

Q. More than two years ago?

A. Yes.

Q. And much closer to the events in question?

A. Yes, sir.

Q. Do you recall telling Special Agent Robert H. Gibson, and I am reading from his report, "Goldberg stated that he had no specific recollection of the telephone call"?

A. No. I wasn't sure whether the phone call to change the account number itself came from Les or whether I first got it from New York and then I spoke to Mr. Ming. But I did definitely speak to Mr. Ming.

Q. You told that to Mr. Gibson, that you definitely spoke to Mr. Ming?

A. Yes, sir.

Q. Didn't you tell Mr. Gibson that the information could have been provided to you by Nellie Dry?

A. Yes, but I was 99 percent sure it was from Mr. Ming.

Q. Ninety-nine percent?

A. Yes.

Q. That is what you are sure today, it was 99 percent that it was Mr. Ming?

A. Yes.

Q. I see. You testified about this under oath as well in the grand jury, did you not?

A. Yes, sir.

Q. Were you asked the following questions and did you give the following answers, at page 18 of your grand jury testimony?

THE COURT: Is there a copy for the Court? Page 18?

MR. LEWIN: Yes, Your Honor, page 18.

THE COURT: Just one moment. All right.

BY MR. LEWIN:

Q. Starting with, say, line 7:

"And is there a change on them?

"Answer: Yes, there is. They were all changed to 32008.

" Question: Could you tell us who wrote that change on them?

"Answer: I did.

"Question: Would you tell us why you wrote that change on them?

"Answer: I was given instructions to make that change.

"Question: By whom?

"Answer: Probably by Les Ming, but it could have come from New York via Les Ming.

"Question: I see. But in any event, the source of it initially would have had to have been Les Ming as the account executive?

"Answer: Yes."

Do you recall giving those questions and those answers?

A. Yes, I do.

Q. Were the answers you gave at that time true?

A. With a qualification.

Q. With a qualification?

A. With a qualification.

Q. And it is a qualification that you have now recalled after giving those questions and answers in February of 1982?

A. Yes, but the qualification is that the only difference being that I could have received a phone call from New York saying, "There is an account number change that is necessary, that I would have to speak to Les Ming," in which case I did. But like I said, I am 99 percent sure I spoke to Les Ming.

Q. But you could have spoken to Nellie Dry?

A. I could have, but not likely.

MR. LEWIN: Thank you.

REDIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. Do you remember what time of the day that call would have been?

A. In the afternoon.

Q. Do you remember if it would have been before or after the market closed?

A. I don't remember.

Q. It was in the afternoon?

A. It was in the afternoon.

THE COURT: We thank you for your testimony. I ask you that you not discuss your testimony with any other possible witness in this case until the matter is completed. Have a good day.

THE WITNESS: Thank you.

THE COURT: Thank you, counsel, for making the time period. I will return this document to, I believe this time it was government counsel.

Ladies and gentlemen of the jury, it is close to 5:00.

We do the best we can to keep our commitments to you, as we have said. Tomorrow morning we will start at 10:00. I have a matter of three things, but they are together in one case at 9:30 in the morning tomorrow. That should be easily over, we hope, by 10:00. 10:00 we start tomorrow. Tomorrow we will go no later -- tomorrow is Friday, is it not, gentlemen?

MR. WEINGARTEN: Yes.

THE COURT: We will go no later than 4:00 tomorrow in the afternoon. Please, stay in good health. Do whatever is necessary to stay in good health. Have a very good evening tonight. Enjoy your meal and your conversations together, all provided that you don't talk about the case. Talk about anything else that keeps you happy but not about the case.

If counsel will wait just a moment or two after the jury leaves, we will wish them good day.

(Jury excused at 5:00)

THE COURT: Counsel, what I wanted to address to you was an inquiry as to how are we moving? Don't shake your head negatively, Mr. Weingarten. That is the worst possible thing.

MR. WEINGARTEN: We are not going as rapidly as I had expected.

THE COURT: All right. Just in numbers, how many people do you think we can accomplish tomorrow?

MR. WEINGARTEN: We have a real dilemma. We have three people from Idaho. One is a banker named Garvin. One is an account named Caldwell and one is a banker named Jones. I think our direct examination will be very brief. I don't know what cross-examination will be like. With that, we will complete silver.

THE COURT: Let's take it from here: As best as you know, from what you know about the case and what you might define that the prosecution will ask these people, about how long do you think cross-examination will take? Will that be brief also?

MR. LEWIN: I think it will be equally brief.

THE COURT: Moving on to the next series of people.

MR. WEINGARTEN: Then we move to Virginia. We have nobody in town at this point relating to the Virginia loans, and if the representation is that cross-examination will be brief, we will get on the phone right away and get somebody up here.

THE COURT: I see the head nodding affirmatively. So you will be you getting on the phone right away, as soon as I leave this courtroom.

Then what?

MR. WEINGARTEN: I think the first Virginia witness would probably be Mr. McAfee, and I expect him to be lengthy. So if we got through McAfee tomorrow, that would be good, and I think we would probably rest at the end of Monday.

THE COURT: All right. Counsel will be working on that one stipulation that we left for consideration about the letter, and if there are any other stipulations that you can work out about some ministerial types of things, things that might even avoid a witness coming here, I would urge counsel, both sides of the table, to do this, in the interest of yourselves, the jury and the Court and the spirit of harmony. All right?

Do the best you can, really, in that regard. I do not say it jestingly. I think it is important to all of us to have you focus on those matters in which you want this jury to continue to have its focus and not start to lose some of the more important matters in the trivia, some of which is necessary to present but could come forth through the medium of stipulations.

Good day. See you tomorrow at 10:00.

(Whereupon, at 5:05 p.m., the trial in the above-entitled case was recessed until Friday, March 23, 1984, at 10:00 a.m.)

* * *

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

SHIRLEY POPEJOY
OFFICIAL COURT REPORTER

MINDI COLCHICO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

```
- - - - - - - - - - - - - - - - - - X
                                    :
UNITED STATES OF AMERICA            :
                                    :
        VS.                         :      CRIMINAL ACTION
                                    :      NO. 83-75
GEORGE VERNON HANSEN,               :
                                    :      VOLUME NO. 5
             DEFENDANT              :
                                    :
- - - - - - - - - - - - - - - - - - X
```

WASHINGTON, D. C.

FRIDAY, MARCH 23, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 10:10 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX

WITNESS	DIRECT	CROSS	REDIRECT	RECROSS
C. LEE CALDWELL	413	441	452-A	452-C
RICHARD W. GARVIN	462	481	492	
GEORGE JONES	494			
CARL MCAFEE	507			

EXHIBIT	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
38-A AND 38-B		418
38-C		418
38-C		421
38-D		426
39-A		467
39-B		468
39-C AND 39-D		470
39-F (WITHDRAWN - PAGE 479)		
40-C	495	
40-D		503
8-B		506
42		513
41 AND 43		522
44		523

PROCEEDINGS

THE COURT: GOOD MORNING, COUNSEL, MR. HANSEN.

I HAVE MADE A DECISION, GENTLEMEN, COUNSEL -- ALL GENTLEMEN AT THE TABLE, THAT WE ARE GOING TO HAVE TO SIT LONGER NEXT WEEK IN ORDER TO MOVE THIS CASE ALONG, FOR ALL OF OUR SAKES AND, MOST PARTICULARLY, FOR THE SAKE OF THE JURY, WHICH IS SEQUESTERED. AND THEY ARE FACING THEIR FIRST WEEKEND IN THAT POSTURE. I WOULD LIKE THEM TO KNOW THAT WE PLAN TO SIT LONGER NEXT WEEK. AND SO I AM ALERTING YOU ALL TO THAT. STARTING MONDAY, WE WILL SIT TILL THE NEIGHBORHOOD OF 6:30, 7:00 O'CLOCK, AND THAT WILL GIVE US AT LEAST AN ADDITIONAL HOUR, HOUR-AND-A-HALF, EVERY DAY, MONDAY, TUESDAY, WEDNESDAY AND THURSDAY, WHICH SHOULD HELP US TO SOME DEGREE. THERE MAY BE TIMES THAT WE WILL GO A FEW MINUTES BEYOND.

AND I HAVE ASKED THE MARSHALS TO MAKE ARRANGEMENTS WITH THE CHEF AT THE HOTEL WHERE THE JURORS ARE SO THAT THEY CAN HAVE THEIR DINNER MEAL WHEN THEY RETURN STILL IN GOOD STYLE AND HOT AND ATTRACTIVE.

IN ADDITION, THERE WILL BE ONE DAY NEXT WEEK, I BELIEVE IT IS WEDNESDAY OF NEXT WEEK -- YES, THE 28TH, WHERE THERE WILL HAVE TO BE A LENGTHY LUNCH HOUR. OTHER THAN THAT, WE HAVE TRIED TO CANCEL EVERYTHING THAT IS ON OUR CALENDAR, INCLUDING TWO OTHER TRIALS AND SEVERAL PRETRIALS, ALL OF WHICH WILL BACK UP, BUT, OBVIOUSLY, THIS CASE HAS TO TAKE PRECEDENCE.

THERE WILL BE OCCASIONALLY EMERGENCIES THAT OCCUR WHICH ARE BEYOND OUR CONTROL, BUT WE WILL FLOW WITH THAT AS BEST AS WE CAN.

SO, COUNSEL ARE ALERTED. THEY SHOULD HAVE ENOUGH WITNESSES ON HAND SO THAT WE CAN KEEP MOVING. BETTER TO HAVE THE WITNESSES HERE, IF IN DOUBT, RATHER THAN NOT HAVE ENOUGH.

MR. LEWIN.

MR. LEWIN: JUST TO GET SOME IDEA FROM THE GOVERNMENT, ASSUMING -- I UNDERSTAND THAT THE WITNESSES THEY MENTIONED YESTERDAY AND THEN MR. MCAFEE WILL CONCLUDE TODAY, I GUESS. DO THEY EXPECT THAT THEY WILL TAKE ALL DAY ON MONDAY, OR JUST PART OF THE DAY? COULD WE AT LEAST START OUR CASE ON MONDAY, IS WHAT I AM ASKING.

MR. WEINGARTEN: I THINK IF WE START AT 9:30 MONDAY AND THINGS GO NORMALLY, WE COULD EASILY REST BY THE LUNCH BREAK.

THE COURT: I CERTAINLY WOULDN'T TAKE A CHANCE ON IT, MR. LEWIN. THAT'S WHY I AM SAYING NOW, RATHER THAN WAITING UNTIL MONDAY MORNING: HAVE ENOUGH WITNESSES HERE TO KEEP US GOING TILL ABOUT 7:00 MONDAY NIGHT.

MR. LEWIN: ALL RIGHT.

THE COURT: NOW, HOPEFULLY NONE OF US HAVE ANY OTHER FAMILY EMERGENCIES OR THE LIKE, BUT AT THE MOMENT, THIS IS WHAT WE PLAN TO DO.

LET'S BRING THE JURY IN.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: COUNSEL MAY HAVE A SEAT.

WE CONTINUE AGAIN WITH THE CASE OF UNITED STATES OF AMERICA VS. GEORGE V. HANSEN, OUR CRIMINAL NUMBER 83-75.

I HAVE ADVISED COUNSEL A FEW MOMENTS AGO, LADIES AND GENTLEMEN, THAT I WILL BE SITTING LONGER HOURS NEXT WEEK IN ORDER TO TRY AND MOVE THIS CASE ALONG WITH MORE EXPEDITION, PRIMARILY FOR ALL OF YOU WHO ARE IN THE SEQUESTERED JURY, BUT ALSO, I WOULD SUGGEST, FOR OUR SAKES, TOO. TO DO THAT, I HAVE CANCELLED SEVERAL OTHER MATTERS ON MY CALENDAR, ALL EXCEPT THE ABSOLUTELY ESSENTIAL MATTERS THAT I MUST TAKE, WHICH I WILL DO STARTING EARLY IN THE MORNING, PERHAPS 8:30 OR 9:00 O'CLOCK, DEPENDING WHATEVER IS NECESSARY, TO ACCOMPLISH THAT. SO THAT ON A GIVEN DAY, WE WILL PROBABLY START YOUR CASE IN MOST INSTANCES AT 10:00 O'CLOCK IN THE MORNING, BUT WE WILL BE GOING IN THE EVENINGS UNTIL ABOUT 7:00 O'CLOCK.

WE HAVE ALSO MADE ARRANGMENTS FOR THE COOK AT YOUR PLACE OF LIVING SO THAT YOU WILL HAVE YOUR MEALS HOT AND READY FOR YOU WHEN YOU COME BACK AFTER COURT SESSIONS.

I TELL YOU THIS NOW SO THAT AS YOU GO INTO YOUR FIRST WEEKEND, YOU WILL RECOGNIZE THAT WE, ALSO, ARE TRYING TO BRING THE FORCES TOGETHER TO MOVE THE CASE ALONG, AND THAT WHEN YOU START COMING BACK TO US ON MONDAY, YOU FORTIFY

YOURSELVES WITH WHATEVER CANDY BARS OR NECESSARIES TO KEEP YOU GOING UNTIL ABOUT 7:00 O'CLOCK AT NIGHT.

AND WHEN I SAY 7:00, THAT MIGHT MEAN 15 MINUTES BEFORE, IT MIGHT MEAN 15 MINUTES AFTERWARDS. IT'S VERY HARD TO CUT IT PRECISELY. BUT WE THOUGHT YOU SHOULD KNOW WHAT WE'RE PLANNING TO DO AT THE PRESENT TIME SO YOU CAN CARRY THAT INFORMATION WITH YOU, AND PERHAPS IT IS BENEFICIAL.

YOU WOULD LIKE TO DO THAT, WOULD YOU NOT?

THE JURY (EN MASSE): YES.

THE COURT: GOOD. ALL RIGHT.

SHALL WE CONTINUE WITH THE TESTIMONY, MR. WEINGARTEN.

MR. WEINGARTEN: THANK YOU, YOUR HONOR. MR. CALDWELL, PLEASE.

C. LEE CALDWELL

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING.

THE WITNESS: GOOD MORNING.

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q YOUR NAME, SIR?

A INITIAL C. LEE CALDWELL.

Q FOR THE RECORD, PLEASE SPELL YOUR LAST NAME.

A C-A-L-D-W-E-L-L.

Q MR. CALDWELL, WHERE DO YOU LIVE, SIR?

A I LIVE IN POCATELLO, IDAHO.

Q HOW ARE YOU EMPLOYED?

A UNTIL RECENTLY, I WAS SELF-EMPLOYED AS A CERTIFIED PUBLIC ACCOUNTANT. NOW WE HAVE A PROFESSIONAL CORPORATION. I AM AN EMPLOYEE OF THAT CORPORATION.

Q HOW LONG HAVE YOU BEEN A C.P.A.?

A APPROXIMATELY THREE YEARS.

Q DO YOU KNOW AN INDIVIDUAL NAMED GEORGE HANSEN?

A YES, I DO.

Q AND HOW DO YOU KNOW HIM, SIR?

A IN SEVERAL RELATIONSHIPS. HE HAS BEEN A FRIEND THROUGH THE YEARS, PROBABLY FOR TEN YEARS, AND THEN I HAVE HAD SOME PROFESSIONAL RESPONSIBILITIES, ALSO.

Q HAVE YOU HAD ANY RESPONSIBILITIES CONNECTED TO HIS CAMPAIGNS?

A WITH HIS CAMPAIGNS?

Q YES.

A YES. I WAS AND AM THE TREASURER OF THE CAMPAIGN COMMITTEE.

Q O.K. AND WHEN YOU ARE A TREASURER OF SOMEONE'S CAMPAIGN COMMITTEE, IN VERY, VERY GENERAL TERMS, WHAT DOES THAT MEAN?

A IT MEANS THAT I AM RESPONSIBLE TO SEE THAT THE FUNDS ARE DEPOSITED; THAT THEY ARE PROPERLY CREDITED TO THE RIGHT

INDIVIDUAL ACCOUNTS, AND THAT THE REPORTS ARE FILED WITH THE FEDERAL ELECTION COMMISSION IN A TIMELY MANNER.

Q IS THAT A PAID POSITION, OR IS THAT A VOLUNTARY POSITION?

A PART OF EACH. THERE IS SOME ACCOUNTING SERVICES THAT ARE BILLED, AND THEN I SPEND A LOT OF TIME ON MY OWN.

Q AND THEY ARE BILLED TO THE CAMPAIGN?

A THAT'S CORRECT.

Q ARE YOU ALSO CONGRESSMAN HANSEN'S TAX MAN?

A YES.

Q AND DO YOU FILL OUT HIS INCOME TAX RETURNS?

A YES.

Q DO YOU KNOW CONNIE HANSEN?

A YES, I DO.

Q AND HOW DO YOU KNOW HER?

A THE SAME RELATIONSHIPS. A FRIEND FOR YEARS, AND SOME PROFESSIONAL RELATIONSHIPS.

Q ARE YOU THE SIGNATOR, OR HAVE YOU EVER BEEN THE SIGNATOR ON AN ACCOUNT WITH EITHER CONGRESSMAN OR CONNIE HANSEN?

A YES. I WAS THE SIGNATOR WITH HER ON A JOINT ACCOUNT WITH CONNIE HANSEN.

Q AND DO YOU REMEMBER WHEN, OR WOULD DOCUMENTS HELP?

A THEY WOULD HELP TO BE MORE PRECISE. I CAN GIVE YOU GENERALITIES.

Q ALL RIGHT. LET'S START, GENERALLY WHEN WAS IT?

A IT WAS FROM ABOUT '78 FOR ABOUT TWO TO THREE YEARS. THAT'S ABOUT AS CLOSE AS I CAN RECALL.

Q DO YOU REMEMBER WHAT BANK IT WAS AT?

A IDAHO BANK AND TRUST IN POCATELLO.

Q ALL RIGHT. AND WHAT WAS THE PURPOSE OF THAT ACCOUNT? DO YOU RECALL?

A ORIGINALLY, IT WAS SET UP TO DEPOSIT SOME FUNDS, SOME CONTRIBUTIONS TO HER THAT SOME INDIVIDUALS IN THE COMMUNITY WERE TRYING TO RAISE TO HELP HER PAY OFF SOME OF HER BILLS. AS IT TURNED OUT, IT NEVER GOT OFF THE GROUND. THERE WERE ONLY A FEW CONTRIBUTIONS, SO IT NEVER DID DO MUCH OF ANYTHING.

Q ALL RIGHT. WAS THERE ANY OTHER PURPOSE TO THIS ACCOUNT?

A THAT WAS THE ONLY PURPOSE IN SETTING IT UP.

Q ARE YOU AWARE OF ANY OTHER SIMILAR ACCOUNTS IN CONNIE HANSEN'S NAME?

A ON WHICH I AM A CO-SIGNATORY, YOU MEAN?

Q YES.

A NO. THERE ARE NO OTHERS.

Q ALL RIGHT.

MR. WEINGARTEN: STIPULATION NO. 7 I WOULD LIKE TO READ INTO THE RECORD AT THIS TIME, YOUR HONOR.

THE COURT: ALL RIGHT.

MR. WEINGARTEN: "IT IS HEREBY AGREED AND STIPULATED BETWEEN THE UNITED STATES AND THE DEFENDANT, GEORGE V. HANSEN, THAT THE ATTACHED BANK RECORDS FROM THE IDAHO BANK AND TRUST COMPANY ARE AUTHENTIC RECORDS." SIGNED, THE PARTIES.

THE COURT: YOU MAY CONSIDER THAT, LADIES AND GENTLEMEN OF THE JURY, AS UNDISPUTED EVIDENCE THAT THOSE RECORDS ARE AUTHENTIC.

BY MR. WEINGARTEN:

Q MR. CALDWELL, I WOULD LIKE TO HAND YOU EXHIBITS MARKED 38-A, B, C AND D. BEGINNING, SIR, WITH 38-A -- AND I THINK THERE'S A STICKER ON THE BACK OF EACH OF THOSE EXHIBITS. I ASK IF YOU CAN IDENTIFY IT, PLEASE, SIR.

A IT APPEARS TO BE THE DOCUMENTS THAT WERE USED ORIGINALLY IN SETTING UP THE ACCOUNT: THE SIGNATURE CARD AND THE BANK CARD.

Q AND WHOSE NAMES ARE ON THAT ACCOUNT?

A CONNIE HANSEN OR C. LEE CALDWELL.

Q AND IS IT DATED? DOES IT INDICATE WHEN THE ACCOUNT BEGAN?

A IT LOOKS LIKE NOVEMBER 30TH OF '78.

Q AND DOES THAT COMPORT WITH YOUR MEMORY OF --

A THAT APPEARS TO BE CORRECT, YES.

MR. WEINGARTEN: I MOVE INTO EVIDENCE GOVERNMENT EXHIBIT 38-A.

MR. CAMPBELL: NO OBJECTION, YOUR HONOR.

THE COURT: ALL RIGHT, MR. CAMPBELL. WITHOUT OBJECTION, IT IS IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 38-A WAS RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q ALL RIGHT. 38-B, SIR. WHAT IS THAT, PLEASE, OR WHAT ARE THEY?

A THEY ARE TWO BANK STATEMENTS.

Q AND WHEN ARE THEY DATED?

A ONE IS DATED FOR THE MONTH ENDED JANUARY -- WELL, A PERIOD ENDED JANUARY 21ST, 1979, AND THE SECOND ONE IS THE PERIOD ENDED FEBRUARY 19TH, 1979.

Q AND WOULD THEY BE THE FIRST TWO ACCOUNT STATEMENTS FOR THAT ACCOUNT?

A NO, I DON'T BELIEVE SO.

Q WOULD THEY BE WHILE THE ACCOUNT WAS OPEN?

A YES.

Q ALL RIGHT.

MR. WEINGARTEN: WE MOVE GOVERNMENT'S EXHIBIT 38-B INTO EVIDENCE, YOUR HONOR.

MR. CAMPBELL: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 38-B WAS RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q MR. CALDWELL, THE FIRST STATEMENT, THE ONE ENDING JANUARY 21ST, 1979, WHAT DOES IT REPRESENT? WHAT IS THE BALANCE IN THE ACCOUNT AT THAT TIME?

A THERE IS A 291.37 BALANCE.

Q $292.37?

A THAT'S CORRECT.

Q WHERE DID THAT MONEY COME FROM?

A IF MEMORY SERVES ME CORRECTLY, IT WAS ABOUT EIGHT OR TEN SMALL CONTRIBUTIONS FROM DIFFERENT INDIVIDUALS AROUND THE COMMUNITY.

Q AND YOU DEPOSITED THEM IN THIS ACCOUNT?

A YES.

Q ALL RIGHT. WERE THERE ANY MORE CONTRIBUTIONS THAN WHAT IS REPRESENTED IN THIS ACCOUNT?

A THERE WERE NOT.

Q THAT YOU ARE FAMILIAR WITH.

A THERE WERE NOT.

Q ALL RIGHT. NOW, SUBSEQUENT TO THIS STATEMENT, OR DURING JANUARY 1979, DID YOU RECEIVE ANY INSTRUCTIONS FROM CONGRESSMAN HANSEN RELATING TO THIS SPECIAL ACCOUNT?

A YES.

Q AND WHAT WERE THOSE INSTRUCTIONS?

A HE CALLED ME ON THE TELEPHONE AND INDICATED THAT THERE WAS A TRANSACTION ON BEHALF OF CONNIE THAT HE WOULD LIKE ME TO MAKE. WE VISITED A LITTLE ABOUT IT, AND IT'S BEEN

FIVE YEARS; I DON'T REMEMBER ANY, REALLY, OF THE DETAILS OF THE CONVERSATION, BUT THE IMPRESSION WAS -- THAT I RECALL WAS THAT THERE WAS A COMMODITIES TRANSACTION THAT CONNIE HAD ENTERED INTO. AND I WAS ASKED TO WRITE A CHECK FROM THIS ACCOUNT WHICH WOULD BE COVERED BY FUNDS COMING BACK TO ME REGARDING THAT TRANSACTION.

Q AND WHO MADE THIS REQUEST?

A I TALKED TO CONGRESSMAN HANSEN ON THE PHONE. I DON'T RECALL -- I KNOW CONNIE WAS EITHER PRESENT OR WAS INVOLVED IN THE CONVERSATION. I'VE TRIED TO REMEMBER THAT SINCE THE GRAND JURY TESTIMONY. I CAN'T REMEMBER EXACTLY HOW THAT TOOK PLACE.

Q ALL RIGHT. WELL, SPECIFICALLY, WHAT DID YOU DO?

A SUBSEQUENT TO THAT CONVERSATION, WHAT DID I DO?

Q YES.

A O.K. I WROTE A CHECK ON THIS ACCOUNT FOR $125,000 AND PHYSICALLY DELIVERED IT TO FIRST SECURITY BANK, A GENTLEMAN BY THE NAME OF MR. GARVIN, RICHARD GARVIN.

Q WHERE IS THE FIRST SECURITY BANK?

A IN POCATELLO, IDAHO, ABOUT THREE MILES FROM MY OFFICE.

Q THE INSTRUCTION WAS FOR YOU TO WRITE A $125,000 CHECK ON THAT ACCOUNT?

A THAT'S CORRECT.

Q AND IS THAT CHECK, OR A COPY OF THAT CHECK REPRESENTED BY GOVERNMENT EXHIBIT 38-C?

A THAT APPEARS TO BE THE CHECK, YES.

MR. WEINGARTEN: WE MOVE GOVERNMENT EXHIBIT 38-C INTO EVIDENCE.

MR. CAMPBELL: NO OBJECTION, YOUR HONOR.

THE COURT: IT IS NOW IN EVIDENCE, WITHOUT OBJECTION.

(GOVERNMENT'S EXHIBIT 38-C WAS RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q MR. CALDWELL, JUST SO WE UNDERSTAND COMPLETELY, GOVERNMENT EXHIBIT 38-C REPRESENTS WHAT?

A A CHECK FOR $125,000 WRITTEN ON THE IDAHO BANK AND TRUST JOINT ACCOUNT OF CONNIE AND MYSELF, TO FIRST SECURITY BANK.

Q AND IT WAS WRITTEN BY YOU.

A THAT'S CORRECT. IT WAS WRITTEN BY ME.

Q PURSUANT TO INSTRUCTIONS FROM WHOM?

A PURSUANT TO INSTRUCTIONS FROM -- DIRECTLY FROM CONGRESSMAN HANSEN.

Q NOW, HOW MUCH MONEY WAS IN THAT ACCOUNT AT THE TIME YOU WROTE THAT CHECK?

A APPROXIMATELY $292. THERE WERE A FEW CHARGES TAKEN OUT BY THE BANK, BUT THAT'S APPROXIMATELY THE FIGURE.

Q ALL RIGHT. THE OBVIOUS QUESTION, SIR: HOW COULD YOU WRITE A $125,000 CHECK ON AN ACCOUNT THAT HAD $300 IN IT?

A BECAUSE IT WAS UNDERSTOOD THAT THERE WOULD BE A

$125,000 DEPOSIT THE SAME DAY.

Q ALL RIGHT. WHAT IS THE DATE OF THAT CHECK?

A IT WAS DATED JANUARY 18.

THE COURT: OF WHAT YEAR, SIR?

THE WITNESS: OF 1979.

BY MR. WEINGARTEN:

Q AND WHY WAS IT NECESSARY FOR YOU TO WRITE THAT CHECK ON THAT ACCOUNT?

A WHY WAS IT NECESSARY?

Q YES.

A IN ORDER TO -- NOW I'M JUST TELLING YOU WHAT I KNEW. IN ORDER TO CLEAR A COMMODITIES TRANSACTION.

Q ALL RIGHT. DO YOU KNOW WHY THAT CHECK WAS WRITTEN ON THE SPECIAL ACCOUNT, AS OPPOSED TO ANOTHER ACCOUNT? WERE YOU TOLD?

A WELL, THE REASON WAS BECAUSE I WAS IN POCATELLO, IDAHO, CONNIE HANSEN WAS IN WASHINGTON, D. C., AND THIS WAS THE ONLY ACCOUNT I HAD A SIGNATURE ON.

Q WELL, DO YOU KNOW WHETHER OR NOT CONGRESSMAN AND MRS. HANSEN HAVE OTHER BANK ACCOUNTS AROUND?

A OH, I'M SURE THEY DO.

Q WELL, WHY WAS IT NECESSARY TO WRITE THE $125,000 CHECK ON YOUR ACCOUNT?

A BECAUSE IT WAS TO BE LEFT WITH MR. GARVIN IN POCATELLO, AND CONNIE HANSEN WAS IN WASHINGTON, D. C., AND

I WAS IN POCATELLO.

Q ALL RIGHT. I GUESS -- DO YOU KNOW THE REASON WHY THE CHECK WAS WRITTEN ON THE ACCOUNT THAT YOU WERE A SIGNATOR ON AS OPPOSED TO AN ACCOUNT WITH CONGRESSMAN HANSEN'S NAME ON IT?

A I --

Q DO YOU KNOW THE ANSWER TO THAT?

A I THOUGHT I HAD ANSWERED IT. THE CHECK -- LET ME SEE IF I CAN MAKE IT MORE CLEAR.

Q MAYBE I CAN MAKE IT CLEAR.

A O.K.

Q DO YOU KNOW WHETHER OR NOT THE CONGRESSMAN HAS ACCOUNTS HIMSELF?

A I GUESS I DON'T KNOW THAT PERSONALLY. I WOULD ASSUME THAT HE DOES, BUT I AM NOT INVOLVED IN ANY OTHER ACCOUNTS.

Q HAD YOU EVER BEEN ASKED TO WRITE ANY CHECKS ON THE SPECIAL ACCOUNT BEFORE?

A NO.

Q WERE YOU EVER ASKED TO WRITE ANY CHECKS ON THE SPECIAL ACCOUNT AFTER THIS?

A NO.

Q DO YOU KNOW WHY YOU WERE ASKED TO WRITE THE $125,000 CHECK ON JANUARY 18TH, 1979, IN THIS INSTANCE?

A YES, I DO.

Q AND WHY WOULD THAT BE?

A BECAUSE MR. GARVIN AT FIRST SECURITY BANK HAD BEEN CONTACTED, WAS GOING TO CLEAR THE COMMODITIES -- WAS GOING TO WIRE MONEY TO CLEAR THE COMMODITIES TRANSACTION. HE NEEDED A CHECK OR A DOCUMENT ON WHICH TO MAKE THAT MONEY WIRE. I WAS IN POCATELLO, IDAHO; I WAS A SIGNATOR ON THIS ACCOUNT. CONNIE HANSEN WAS IN WASHINGTON. SHE COULD NOT HAVE SIGNED IT AND SENT IT.

Q WELL, TO YOUR KNOWLEDGE, THE HANSENS HAVE AN ACCOUNT IN MR. GARVIN'S BANK, DO THEY NOT?

A I BELIEVE THEY DO.

Q WHY COULDN'T MR. GARVIN HAVE WIRED MONEY FROM THAT ACCOUNT TO CHICAGO TO CLEAR THE TRANSACTION?

A BECAUSE THERE WAS NO ONE IN POCATELLO TO SIGN ON THAT CHECKING ACCOUNT.

Q AND YOU CAN'T WIRE MONEY WITH VERBAL AUTHORIZATION OR A WIRE FROM THE CONGRESSMAN?

A I CAN'T ANSWER THAT QUESTION.

Q NOW, WHAT HAPPENED WHEN YOU GOT TO THE FIRST SECURITY BANK?

A I LEFT THE CHECK WITH MR. GARVIN AND WENT BACK TO MY OFFICE.

Q DID YOU GIVE HIM ANY INSTRUCTIONS?

A I DID NOT. THE INSTRUCTIONS I UNDERSTOOD HAD ALREADY BEEN GIVEN TO MR. GARVIN.

Q AND NO WORDS WERE EXCHANGED BETWEEN YOU AND MR. GARVIN ABOUT THE TRANSACTION?

A I'M SURE THERE WERE SOME WORDS, BUT THEY WERE VERY BRIEF. JUST A MATTER OF HERE'S THE CHECK THAT YOU'RE EXPECTING, AND THAT WAS ABOUT IT. I CAN'T REMEMBER THE WORDS. BUT I DID NOT GIVE THE INSTRUCTIONS.

Q DID THAT COMPLETE THE TRANSACTION, OR WAS THERE ANOTHER COMPONENT OF IT?

A O.K. THE OTHER COMPONENT OF THE TRANSACTION WAS THE DEPOSIT THAT WAS TO COVER THAT CHECK.

Q AND WHEN DID THAT TAKE PLACE? AND PERHAPS REFER TO GOVERNMENT EXHIBIT 38-D.

A ALL RIGHT. THE OTHER PART OF THAT TRANSACTION ACTUALLY TOOK PLACE, I BELIEVE THE DATE WAS THE 22ND OF JANUARY, 1979, IF MY CALCULATIONS ARE CORRECT. IT WAS THE FOLLOWING MONDAY. THIS TRANSACTION I BELIEVE TOOK PLACE ON A THURSDAY.

Q ALL RIGHT. WHAT IS REFLECTED BY GOVERNMENT EXHIBIT 38-D? WHY DON'T WE START THERE? IS THAT A DEPOSIT SLIP?

A THERE IS A DEPOSIT SLIP AND A CASHIER'S CHECK FOR $125,000.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT EXHIBIT 38-D.

THE COURT: MR. CAMPBELL?

MR. CAMPBELL: NO OBJECTION, YOUR HONOR.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 38-D WAS RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q NOW, THE DEPOSIT SLIP IS DATED WHEN?

A JANUARY 18TH, 1979.

Q AND THAT WOULD HAVE BEEN A THURSDAY, AS YOU RECALL NOW?

THE COURT: EXCUSE ME. DID YOU SAY THE DEPOSIT SLIP WAS JANUARY 18TH?

THE WITNESS: THAT'S CORRECT.

BY MR. WEINGARTEN:

Q AND THE DEPOSIT ITEM IS WHEN? IS DATED WHEN?

A JANUARY 22ND.

Q WELL, HOW COULD THE DEPOSIT SLIP BE DATED THE 18TH AND THE ITEM BE DATED THE 22ND?

A O.K. THE DATE THAT I PUT ON THE DEPOSIT SLIP WAS JANUARY 18TH. IT'S THE BANK STAMP, I'M SURE, IS THE 22ND. THE REASON FOR THE DIFFERENCE WAS THAT WHEN I PREPARED THE CHECK, I ALSO PREPARED THE DEPOSIT SLIP AT THE SAME TIME, EXPECTING THAT THE MONEY WOULD COME BACK THAT DAY, BUT IT DID NOT.

Q YOU WANTED THE $125,000 TO GO INTO THE BANK IMMEDIATELY AFTER YOU TOOK IT OUT, BECAUSE THERE WASN'T $125,000. YOU DIDN'T WANT THE CHECK TO BOUNCE, IN OTHER WORDS.

A THAT'S CORRECT. I HAD TO HAVE A DEPOSIT TO COVER THE CHECK.

Q BUT THAT ACTUALLY DIDN'T COME UNTIL THE 22ND.

A THAT'S RIGHT.

Q MR. CALDWELL, DID YOU TESTIFY IN THE GRAND JURY THAT YOU ASSUMED THAT THE ACCOUNT WITH YOUR NAME WAS USED BECAUSE IT WAS CONNIE HANSEN'S SILVER TRANSACTION, AND IT WAS TO PAY OFF HER DEBTS?

A THERE WAS SOME CONVERSATION ABOUT IT BEING CONNIE'S ACCOUNT, YES.

Q ALL RIGHT. AND WAS IT YOUR UNDERSTANDING BACK THEN IN 1979 THAT THE REASON THAT ACCOUNT WAS USED AND NOT A GEORGE HANSEN ACCOUNT WAS BECAUSE IT WAS HER SILVER TRANSACTION?

A YES. IT WAS A DUAL PURPOSE. THE ONE THAT I EXPLAINED BEFORE, BECAUSE I WAS THE SIGNATOR; AND THE SECOND PURPOSE WAS IT WAS CONNIE'S ACCOUNT, YES.

Q WHERE DID THE PROFIT FROM THE SILVER TRANSACTION GO?

A ALL I CAN DO IS MAKE AN ASSUMPTION, BECAUSE I NEVER DID HAVE ANY PART IN THAT. AND I UNDERSTOOD THAT IT WENT INTO ONE OF THE ACCOUNTS THAT CONNIE OR GEORGE HAD, AND I DON'T KNOW, BECAUSE I DIDN'T HAVE ANY PART IN THAT.

Q ALL RIGHT. DID IT GO INTO THE ACCOUNT WITH YOUR NAME ON IT AND CONNIE HANSEN'S NAME ON IT?

A IT DID NOT.

Q DO YOU KNOW OF ANY OTHER SEPARATE CONNIE HANSEN ACCOUNT?

A I DO NOT, NO.

Q DO YOU KNOW THE REASON WHY THE SILVER PROFIT, THE $87,000, DID NOT GO INTO HER ACCOUNT WITH YOUR NAME ON IT? WAS THAT EVER EXPLAINED TO YOU?

A I DON'T THINK IT WAS EXPLAINED. I JUST FIGURED THAT THAT WOULD GO INTO ONE OF THE OTHER ACCOUNTS. THIS WASN'T AN ACTIVE -- I MEAN IT WAS AN ACTIVE ACCOUNT, BUT IT WASN'T AN ACCOUNT WE WERE USING FOR ANYTHING, SO --

Q WELL, THE PURPOSE OF THE ACCOUNT WAS TO RECEIVE CONTRIBUTIONS TO HELP CONNIE HANSEN.

A THAT WAS THE ORIGINAL INTENT, YES.

Q DID THAT INTENT EVER CHANGE?

A NO, I DON'T SUPPOSE IT DID.

Q ALL RIGHT.

A BUT NOTHING EVER TRANSPIRED THERE. NOTHING ELSE EVER HAPPENED.

Q AND THE $87,000 PROFIT DIDN'T GO IN THERE, DID IT?

A DID NOT.

Q ALL RIGHT. NOW, JUST A COUPLE MORE, MR. CALDWELL. YOU DO THE TAXES FOR CONGRESSMAN HANSEN; IS THAT CORRECT?

A THAT'S CORRECT.

Q DOES HE FILE SEPARATELY OR DOES HE FILE JOINTLY?

MR. CAMPBELL: OBJECTION, YOUR HONOR. MAY WE

APPROACH THE BENCH?

THE COURT: COUNSEL, TO THE BENCH.

(AT THE BENCH)

MR. CAMPBELL: YOUR HONOR, WE UNDERSTAND THAT MR. CALDWELL IS A LITTLE CONCERNED ABOUT DISCLOSING INFORMATION ABOUT THE CONGRESSMAN'S TAX RETURNS. HE IS UNSURE ABOUT THE NATURE OF ANY PRIVILEGES THAT MIGHT APPLY.

MR. WEINGARTEN: BUT YOU ARE.

MR. CAMPBELL: WE ARE AWARE OF THE NATURE OF THE PRIVILEGE, AND WE ARE PREPARED TO STIPULATE TO THE INFORMATION MR. WEINGARTEN IS ABOUT TO REQUEST. HOWEVER, MR. CALDWELL, AT THE SAME TIME, CAN BE ASSURED THAT THE LIMITED INFORMATION THAT MR. WEINGARTEN INTENDS TO ELICIT IS NOT SOMETHING WHICH THE CONGRESSMAN WOULD OBJECT TO HIM ANSWERING AT THIS TIME.

THE COURT: WELL, I CAN'T TELL HIM THAT IT IS SOMETHING THE CONGRESSMAN WOULD HAVE NO OBJECTION TO HIM ANSWERING. I CAN JUST TELL HIM TO ANSWER; AND THAT, OF COURSE, I WOULD DO, IN LIGHT OF WHAT YOU HAVE JUST SAID.

YOU GENTLEMEN -- EXCUSE ME, MR. CAMPBELL. YOU AND MR. WEINGARTEN HAVE DISCUSSED, AS YOU SAY, THE LIMITED NATURE OF THE EXPLORATION OF THIS EXAMINATION?

MR. CAMPBELL: YES.

THE COURT: ALL RIGHT, FINE. ALL I HAVE TO DO IS, AS HE HESITATES, TELL HIM, "WILL YOU PLEASE ANSWER, SIR." THAT'S ALL.

MR. CAMPBELL: WE ARE PREPARED TO STIPULATE, YOUR HONOR.

THE COURT: WELL, LET'S SEE IF THE GOVERNMENT WILL ACCEPT A STIPULATION. IT IS UP TO THE GOVERNMENT.

MR. WEINGARTEN: THERE ARE TWO COMPONENTS TO THE TESTIMONY. ONE IS THAT EACH YEAR -- ONE IS THAT THEY FILED JOINTLY, AND THE SECOND IS THAT EACH YEAR THAT THIS GENTLEMAN FILLED OUT THE TAXES, THERE WAS A SCHEDULE C PROFIT AND LOSS STATEMENT RELATING TO CONGRESSMAN HANSEN'S BOOKS, OR BOOK, THAT HE WROTE, WHEREIN HE TOOK HIS EXPENSES FROM THE BOOK AND DEDUCTED THEM FROM HIS INCOME. AND OUR PURPOSE THERE IS TO PROVE THAT HE VIEWED THIS BOOK AS A PERSONAL INVESTMENT, AND HE WAS BENEFITING THEREFROM.

THE COURT: IS THAT BOOK GOING TO BE MENTIONED IN ANY WISE DURING THE COURSE OF ANY OTHER TESTIMONY?

MR. LEWIN: YES, YOUR HONOR.

MR. CAMPBELL: YES, IT WILL.

THE COURT: I ASSUME, THEN, IT IS LEGITIMATE INQUIRY THAT MR. WEINGARTEN IS GOING TO DO AND A MATTER, AGAIN, THAT YOU GENTLEMEN HAVE DISCUSSED.

MR. CAMPBELL: THE POINT IS: IF THERE ARE ANY DIFFICULTIES WITH MR. CALDWELL ANSWERING THE QUESTIONS, WE ARE PREPARED TO STIPULATE.

THE COURT: I HAVE NO DIFFICULTY WITH HIM ANSWERING. LET'S SEE IF THE GOVERNMENT WILL ACCEPT THE STIPULATION THAT

YOU ARE ASKING THE GOVERNMENT TO MAKE.

WOULD YOU ACCEPT IT?

MR. WEINGARTEN: IF THE STIPULATION INCLUDES THE SCHEDULE C, THE DOCUMENT ITSELF.

MR. LEWIN: YOU WANT THE DOCUMENT?

MR. WEINGARTEN: IF I AM NOT GOING TO GET THE EVIDENCE FROM HIM, I WANT SOMETHING THAT I CAN USE WITH THE JURY.

MR. LEWIN: THAT SCHEDULE C, YOU MEAN? THAT DOCUMENT, THAT PIECE OF PAPER?

MR. WEINGARTEN: WELL, AND HOW IT RELATES BACK TO THE TAX FORM ITSELF. SO THAT I CAN SHOW BENEFIT.

MR. LEWIN: NOT THE WHOLE TAX FORM. YOU ARE TALKING ABOUT THAT ONE SCHEDULE?

MR. WEINGARTEN: PLUS THERE'S A PLACE ON THE DOCUMENT ITSELF, THE MAJOR TAX FORM -- I FORGET --

THE COURT: YOU MEAN THE LINE THAT SAYS THE INFORMATION?

MR. WEINGARTEN: YES.

THE COURT: ALL RIGHT. I BELIEVE I UNDERSTAND WHAT MR. WEINGARTEN IS SAYING. AS WE KNOW, ON THE FACE SHEET OF THE 1040 -- I ASSUME WE ARE TALKING ABOUT 1040 -- EITHER THE FIRST PAGE OR THE SECOND -- THEY CHANGE THESE THINGS THESE DAYS; I CAN'T RECALL -- THERE IS A LINE THAT SAYS SCHEDULE C, AND YOU HAVE ONE FIGURE THAT YOU PUT DOWN. AND

I'M TAKING IT THAT YOU WANT THAT FACE SHEET, OR AT LEAST YOU WANT SOMETHING TO INDICATE THAT THERE WAS A FACE SHEET.

MR. WEINGARTEN: PLUS THE SCHEDULE C.

THE COURT: PLUS THE SCHEDULE C.

MR. LEWIN: I DON'T KNOW. I HAVEN'T LOOKED AT THE FACE SHEET OR THE SECOND PAGE. I THINK THERE MAY BE, FROM MY RECOLLECTION, ANOTHER SCHEDULE C RELATING TO MRS. HANSEN'S KOPYKAT BUSINESS. SO I'M NOT SURE THAT THE TWO ARE NOT MERGED, SO THAT THE LINE IS NOT GOING TO MEAN ANYTHING.

I AM PREPARED TO STIPULATE TO THE JURY THAT THE SCHEDULE C WAS USED IN COMPUTING THE TAXES. I DON'T KNOW WHY THE PARTICULAR LINE -- I MEAN, YOU KNOW, THAT ONE LINE IS NOT GOING TO BE MORE MEANINGFUL TO THE JURY.

THE COURT: LET ME ASK, TO AVOID AGAIN A LONG DELAY HERE, ANY DIFFICULTY, AND MR. WEINGARTEN, IF YOU CAN SECURE THE STIPULATION HAVING A COPY OF CONGRESSMAN HANSEN'S SCHEDULE C AND POSSIBLY MRS. HANSEN'S SCHEDULE C, BUT ONLY THE LATTER IF THE TWO FIGURES WERE MERGED FOR THE ONE LINE ON THE FACE SHEET?

MR. WEINGARTEN: CAN I SAY SOMETHING? I MEAN ALL WE ARE FIGHTING ABOUT NOW IS THIS WITNESS' DISCOMFITURE.

MR. LEWIN: NO, NO. I'M SORRY. I DISAGREE WITH THAT. I AM FIGHTING -- WE MADE A MOTION PRIOR TO TRIAL ABOUT THE AVAILABILITY OF THESE TAX RETURNS ALTOGETHER AND THEIR USE IN TERMS OF THIS CASE. THERE ARE --

THE COURT: YOU DIDN'T MAKE A MOTION ABOUT THEIR USE. YOU MADE A MOTION AS TO --

MR. LEWIN: PRODUCTION.

THE COURT: -- THE PAPERS THAT HAD BEEN SEALED AND HOW THE TAX RETURNS HAD BEEN OBTAINED.

MR. LEWIN: RIGHT.

THE COURT: THAT LEAST THAT'S THE ONLY MOTION I HAVE EVER SEEN, MR. LEWIN.

MR. LEWIN: YOU'RE RIGHT, YOUR HONOR. THAT IS THE ONLY MOTION. BUT I CERTAINLY WOULD OBJECT TO USE OF THE TAX RETURN IN THIS CASE IN ANY GENERAL WAY, BOTH BECAUSE IT IS IRRELEVANT AND BECAUSE I DON'T THINK IT WAS OBTAINED -- UNDER THE STATUTE, I DON'T THINK IT CAN BE USED.

THE COURT: I THOUGHT YOU WERE WILLING TO STIPULATE TO THE SCHEDULE C --

MR. LEWIN: WITH REGARD TO THE SCHEDULES, NOW THAT MR. WEINGARTEN HAS INDICATED THAT IS WHAT HE IS TALKING ABOUT, I WOULD JUST LIKE TO HAVE A MINUTE TO TALK TO THE CONGRESSMAN ABOUT THAT.

THE COURT: ONE MINUTE, TO FIND OUT IF THEY MERGED THE TWO SUMS ON THE FACE SHEET. AND OTHERWISE, WE WILL GO AHEAD AND TAKE INQUIRY FROM THIS WITNESS.

MR. WEINGARTEN: LET ME SAY ONE OTHER THING. THE RELEVANCY OF THE TAX RETURN AS PERTAINS TO THIS WITNESS IS WHAT I HAVE JUST REPRESENTED. THERE IS LIKELY TO BE OTHER

RELEVANCY AS THE TRIAL DEVELOPS. I AM NOT SUGGESTING THAT WE ARE ONLY GOING TO USE THE TAX RETURN DURING THE COURSE OF THIS TRIAL.

THE COURT: YOU MEAN DURING THE COURSE OF THIS WITNESS.

MR. WEINGARTEN: YES. I MEAN THERE MAY BE OTHER INSTANCES. I JUST WANT TO MAKE THAT CLEAR.

THE COURT: ALL RIGHT. BUT AS FAR AS THIS WITNESS IS CONCERNED, DISCOMFITURE IS ONE THING. LOTS OF WITNESSES HAVE DISCOMFITURE. THE FIRST QUESTION IS: ARE THESE TAX RETURNS INDIVIDUAL, JOINT? THAT WAS ONE QUESTION THAT MR. WEINGARTEN WANTED TO HAVE.

MR. LEWIN: I UNDERSTAND.

THE COURT: AND CLEARLY, THE WITNESS CAN ANSWER THAT ONE.

THE SECOND ONE, AS I UNDERSTAND, IS THAT YOU WANTED TO ASK --

MR. WEINGARTEN: THE BOOKS.

THE COURT: -- SOMETHING ABOUT THE BOOKS.

MR. WEINGARTEN: SCHEDULE C.

THE COURT: THAT IS AS IT GOES TO SCHEDULE C. NOW, DID YOU WANT TO DEVELOP THE INFORMATION ON SCHEDULE C SO MR. LEWIN CAN TELL HIS CLIENT?

MR. WEINGARTEN: ALL I WANT THIS WITNESS TO SAY IS YES, HE FILES IT; YES, HE INCLUDES IT ON HIS SCHEDULE C;

YES, HE DEDUCTS IT FROM HIS INCOME, PERIOD.

MR. LEWIN: WHAT MR. CAMPBELL HAS INDICATED, AT LEAST, IN DISCUSSION WITH HIM, IS THAT THE WITNESS HAS SOME PROBLEM WHETHER HE CAN DISCLOSE IT. WE ARE PREPARED TO SAY THAT WE WOULD STIPULATE TO THAT AND, CONSEQUENTLY, I CAN FIND OUT, I CAN LOOK AT THE TAX RETURN --

THE COURT: THE GOVERNMENT HAS TO TELL ME WHETHER THE GOVERNMENT WILL ACCEPT THE STIPULATION. IF THE GOVERNMENT DOESN'T ACCEPT THE STIPULATION, CLEARLY, WHETHER THE WITNESS HAS SOME DIFFICULTY WITH IT OR NOT, I WILL DIRECT THE WITNESS TO RESPOND.

MR. LEWIN: I UNDERSTOOD THE GOVERNMENT TO SAY THEY WOULD BE WILLING TO ACCEPT A STIPULATION IF THEY HAVE THE SCHEDULE C.

THE COURT: WE HAVE WASTED, NOW, SEVEN MINUTES TO DECIDE WHETHER OR NOT WE HAVE A STIPULATION.

MR. LEWIN: WELL, YOUR HONOR, WE WOULD WASTE MUCH MORE TIME IF WE GET INTO THE TAX RETURN.

MR. WEINGARTEN: IF IT INCLUDES THE SCHEDULE C, ITSELF, RELATING TO THE BOOK, AND THE REFERENCE ON THE 1040 THAT INCLUDES IT.

MR. LEWIN: JUST THAT ONE LINE IS WHAT YOU WANT?

MR. WEINGARTEN: AND THE SCHEDULE C.

MR. LEWIN: AND THE SCHEDULE C. O.K. LET ME LOOK AT THE RETURN.

THE COURT: ALL RIGHT. A MINUTE OR TWO, PLEASE, GENTLEMEN.

MR. CAMPBELL: MAY I ASK ONE QUESTION?

THE COURT: MR. CAMPBELL, WHY DON'T YOU DISCUSS IT WITH YOUR OTHER COUNSEL.

(IN OPEN COURT)

THE COURT: ALL RIGHT, GENTLEMEN. TWO MINUTES, PLEASE. IT WILL BE JUST TWO MINUTES, MR. CALDWELL.

GENTLEMEN, CAN PERHAPS ONE OF THE THREE COUNSEL DISCUSS IT WITH MR. HANSEN, SO WE CAN EXPEDITE?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: GENTLEMEN, TO THE BENCH, PLEASE.

(AT THE BENCH)

THE COURT: YOU ALL HAVE A COPY OF THE RETURN SO THAT IF YOU HAVE TO HAVE ANY REFERENCE TO IT, YOU CAN?

MR. WEINGARTEN: I WILL GET IT.

THE COURT: THAT MIGHT SAVE US SOME TIME, IF YOU WILL WAIT JUST A MOMENT, MR. LEWIN, PLEASE.

RATHER THAN THE COURT'S REFERENCE TO "FACE SHEET", LET'S SEE WHAT IT IS.

MR. LEWIN: SCHEDULE C FOR 1980 REFLECTS A BOOK, AND THE COMPUTATION IS A TOTAL LOSS OF $3,719. WE ARE PREPARED TO STIPULATE AND HAVE THAT PIECE OF PAPER MADE AVAILABLE, WITHOUT WAIVING ANY RIGHTS, YOUR HONOR, WITH REGARD TO THE AVAILABILITY OF THE TAX RETURN GENERALLY.

THE COURT: WE UNDERSTAND. AS TO THE SPECIFIC MOTION THAT YOU FILED; RIGHT.

MR. LEWIN: AND THE COVER, THE FRONT PAGE OF THE 1980 TAX RETURN INDICATES BUSINESS INCOME OR LOSS FROM ALL SCHEDULE C'S INDICATES AN INCOME OF $9,660. OF COURSE, THAT TAKES INTO ACCOUNT OTHER SCHEDULE C'S THAT ARE IN THE TAX RETURN. WE ARE PREPARED TO STIPULATE THAT THAT IS WHAT THE TAX RETURN SHOWS: BUSINESS INCOME OR LOSS FROM SCHEDULE C IS $9,960.

THE COURT: WHAT IS THE GOVERNMENT'S POSITION AS TO THAT, FIRST?

MR. WEINGARTEN: IF THE ENTIRE DOCUMENT RELATING TO THE BOOK COMES INTO EVIDENCE, WE WILL ACCEPT IT.

THE COURT: IS THAT CONTAINED IN SCHEDULE C, THE ENTIRE DOCUMENT AS TO THE BOOK?

MR. LEWIN: YOU MEAN ALL OF SCHEDULE C, BUT NOT THE FRONT PAGE OF THE TAX RETURN?

MR. WEINGARTEN: THAT'S O.K.

MR. LEWIN: O.K. WE WILL STIPULATE TO THAT.

THE COURT: WE HAVE A STIPULATION AS TO 1980, RIGHT?

MR. LEWIN: RIGHT. AS TO 1981, WE WILL STIPULATE THAT THE PAGE OF SCHEDULE C THAT RELATES TO THE BOOK WILL COME INTO EVIDENCE, AND IT WILL SHOW A NET LOSS OF $1,974, AND THAT THE FRONT PAGE OF THE TAX RETURN SHOWS WITH REGARD TO SCHEDULE C ATTACHMENTS A NET LOSS OF $1,176. THAT IS THE

NET LOSS FOR '81.

AND '82 WAS IN THAT PROFFER.

THE COURT: SO 1981 AND 1982 ARE THE SAME PROFFER?

MR. LEWIN: YES.

THE COURT: JUST DIFFERENT FIGURES?

MR. LEWIN: I'M SORRY. 1980 AND 1981. THOSE ARE THE TWO YEARS.

THE COURT: WE HAVE TALKED ABOUT THOSE TWO YEARS SO FAR, SIR.

MR. LEWIN: RIGHT. AS TO 1982, WE WILL STIPULATE THE PAGE OF SCHEDULE C THAT SHOWS A LOSS OF $107 FOR THE BOOK, AND THAT THE TOTAL BUSINESS INCOME OR LOSS SHOWN ON THE FRONT PAGE OF THE TAX RETURN FROM SCHEDULE C IS A GAIN OF $19,412.

THE COURT: ALL RIGHT. NOW, THAT IS 1980, '81 AND '82. WHAT ARE THE YEARS INVOLVED?

MR. WEINGARTEN: THAT'S ALL.

THE COURT: THOSE THREE YEARS? ALL RIGHT.

MR. LEWIN, ANYTHING FURTHER?

MR. LEWIN: WELL, THE QUESTION REALLY MR. HANSEN RAISED IS WHETHER THE GOVERNMENT INSISTS IN HAVING THE TOTAL FIGURE IN ON THE SCHEDULE C LINE. I DON'T UNDERSTAND WHY THAT IS RELEVANT.

THE COURT: LET'S FIND OUT. MAYBE WE CAN AGAIN SHORT-CIRCUIT THIS. WE ARE TALKING ABOUT THREE YEARS: 1980, 1981 AND 1982. THE GOVERNMENT HAS ACCEPTED THE STIPULATION FOR AT LEAST THE YEAR 1980 AT THIS MOMENT, WHICH IS THAT SCHEDULE C WILL COME IN, AND THAT SCHEDULE C WILL REFELCT, AS FAR AS THE BOOK IS CONCERNED, A LOSS OF $3,719. WILL THERE BE ANYTHING FURTHER THAT THE GOVERNMENT WOULD WANT OTHER THAN THE STIPULATION THAT THE FRONT PAGE OF THE TAX RETURN EMBRACING THAT MINUS 3719 SHOWED A BUSINESS INCOME LOSS?

MR. WEINGARTEN: NOT FROM THIS WITNESS, EXCEPT THE JOINT FILING, WHICH I THINK I AM ABLE TO ASK HIM.

MR. LEWIN: YES, OF COURSE. WE WILL STIPULATE TO THE JOINT FILING.

MR. WEINGARTEN: JUST SO WE ARE EXPLICITLY CLEAR THIS: THERE COULD VERY WELL BE OTHER THINGS IN THIS RETURN WE INTEND TO USE.

THE COURT: WE UNDERSTAND. BUT AS TO THIS WITNESS. LET'S TAKE IT BIT BY BIT. WHO IS GOING TO MAKE THE STIPULATION?

MR. WEINGARTEN: I'LL DO IT.

THE COURT: ALL RIGHT.

MR. LEWIN: AS TO THOSE THREE YEARS.

THE COURT: ALL RIGHT. FINE. SO THAT WILL BE PREPARED AFTER THE WITNESS HAS LEFT. GOOD. LET'S FINISH.

(END OF BENCH CONFERENCE)

THE COURT: MR. CALDWELL, WILL YOU RESUME THE STAND.

THERE WILL BE A STIPULATION PREPARED AND READ TO

THE JURY SUBSEQUENTLY, PERHAPS THIS AFTERNOON, PERHAPS LATER, CONCERNING SOME MATTERS THAT WILL SAVE THE TIME AND DIFFICULTY OF YOU TESTIFYING TO. BUT THERE ARE SOME MATTERS THAT YOU WILL BE ASKED TO TESTIFY TO AND THAT YOU MUST RESPOND TO, SIR.

ALL RIGHT. MR. WEINGARTEN.

BY MR. WEINGARTEN:

Q MR. CALDWELL, PRIOR TO THE BREAK -- OR PRIOR TO THE DISCUSSIONS AT THE BENCH, I SHOULD SAY, I THINK THE QUESTION WAS POSED TO YOU WHETHER OR NOT YOU DID THE TAXES FOR CONGRESSMAN HANSEN. IS THAT CORRECT?

A YES.

Q AND WHAT WAS YOUR ANSWER?

A THAT I DID.

Q AND HOW MANY YEARS HAVE YOU DONE THEM?

A I BELIEVE THREE.

Q STARTING WHEN AND GOING UP TILL WHEN? I MEAN DO YOU PRESENTLY DO THEM?

A YES.

Q AND DID YOU DO THEM LAST YEAR?

A YES.

Q THE YEAR BEFORE?

A I BELIEVE I STARTED IN '80, BUT IT WAS EITHER '80 OR ONE YEAR ONE SIDE OR THE OTHER OF THAT. I CAN'T RECALL EXACTLY.

Q ALL RIGHT. DOES CONGRESSMAN HANSEN FILE A JOINT TAX RETURN WITH HIS WIFE, OR DOES HE FILE A SEPARATE TAX RETURN?

A JOINT RETURN.

Q AND HAS HE FILED A JOINT RETURN WITH HIS WIFE EACH AND EVERY YEAR YOU FILLED OUT THE TAX FORMS?

A YES.

Q THANK YOU, SIR.

THE COURT: ANYTHING FURTHER? MR. CAMPBELL, ANY INQUIRY?

CROSS-EXAMINATION

BY MR. CAMPBELL:

Q GOOD MORNING, MR. CALDWELL.

A GOOD MORNING.

Q YOU TESTIFIED ON DIRECT EXAMINATION THAT YOU HAD RECEIVED A CALL FROM CONGRESSMAN HANSEN CONCERNING A REQUEST THAT YOU PROVIDE SOME ASSISTANCE IN CLOSING A TRADE IN THE COMMODITIES MARKET. IS THAT CORRECT?

A YES.

Q AND WOULD YOU TELL US WHOSE TRADE DID HE SAY IT WAS THAT HE WAS ASKING YOU TO ASSIST IN THE CLOSING OF?

A HIS WIFE, CONNIE.

Q AND DID HE SAY THAT THERE WAS A PROFIT INVOLVED IN THAT TRADE?

A YES.

Q WHOSE PROFIT DID HE SAY IT WAS WITH REGARD TO THAT TRADE?

A I DON'T REMEMBER SPECIFICALLY HIM TELLING ME THAT THE PROFIT WAS HERS, BUT THAT WAS MY UNDERSTANIDNG. THAT WAS MY ASSUMPTION, THAT IT WAS, SINCE IT WAS HER TRADE.

Q NOW, WHEN YOU SPOKE TO CONGRESSMAN HANSEN, WAS THERE ANYONE ELSE INVOLVED IN THE CONVERSATION WHEN YOU SPOKE TO HIM ON THE TELEPHONE?

A I CAN'T REMEMBER WHETHER SHE WAS -- CONNIE WAS INVOLVED; I KNOW THAT. BUT I DON'T REMEMBER IF SHE WAS ON ANOTHER LINE. I KNOW THAT I SPOKE TO THE CONGRESSMAN -- OR WHETHER SHE WAS JUST IN THE ROOM, YOU KNOW, ON THE OTHER END. I KNEW THAT THERE WAS SOME CORRELATION BETWEEN HE AND HIS WIFE, OR COORDINATION. BUT I CAN'T REMEMBER THE DETAILS AT THIS POINT IN TIME.

Q THAT COORDINATION WAS HAPPENING AT THE SAME TIME THAT YOU WERE SPEAKING WITH THE CONGRESSMAN, IS THAT RIGHT?

A I REMEMBER THAT THERE WAS SOME -- EITHER HE WAS ASKING HER OR -- I DON'T RECALL. BUT I REMEMBER THERE WAS SOMETHING GOING ON.

Q SOMETHING IN THE NATURE OF HIM ASKING HER QUESTIONS IN THE COURSE OF SPEAKING WITH YOU.

A OR THAT SHE WAS AT LEAST INVOLVED THERE WHERE SHE COULD HEAR.

Q WOULD IT BE FAIR TO SAY THAT WHEN HE WAS INSTRUCTING

YOU TO WRITE A CHECK ON THE ACCOUNT, HE WAS DOING SO AT THE DIRECTION OF MRS. HANSEN?

LET ME REPHRASE THE QUESTION. WOULD IT BE FAIR TO SAY THAT IT WAS YOUR UNDERSTANDING THAT HE WAS DIRECTING YOU TO WRITE THAT CHECK OUT OF THE CONNIE HANSEN SPECIAL ACCOUNT WITH THE APPROVAL OF MRS. HANSEN?

A YES.

Q DID THERE COME A TIME AFTER THAT TELEPHONE CONVERSATION WHEN CONGRESSMAN HANSEN REPRESENTED TO YOU IN ANY WAY THAT THAT SILVER TRADE WAS ANYTHING OTHER THAN MRS. HANSEN'S?

A NO. IT WAS ALWAYS MY UNDERSTANDING THAT THAT WAS CONNIE'S TRANSACTION.

Q NOW, YOU TESTIFIED ON DIRECT EXAMINATION THAT YOU HAD WRITTEN OUT A CHECK AT THE DIRECTION OF MRS. HANSEN, AND NOW YOU'VE INDICATED THAT YOU DID SO WITH MRS. HANSEN'S APPROVAL -- OR AT LEAST YOU UNDERSTOOD SHE HAD APPROVED THAT DIRECTION -- NOTWITHSTANDING THE FACT THAT THERE WAS NOT $125,000 IN FUNDS IN THAT ACCOUNT AT THAT TIME. IS THAT CORRECT?

A THAT IS CORRECT.

Q NOW, COULD YOU EXPLAIN TO US AGAIN WHY IT IS YOU FELT THAT YOU COULD WRITE THAT CHECK ON THAT ACCOUNT WHEN THERE WAS NOT THAT AMOUNT OF FUNDS IN THE ACCOUNT?

A YES. I WAS TOLD THAT THERE WOULD BE A $125,000 CHECK COMING THAT SAME DAY SO THAT THE DEPOSIT AND THE CHECK

WOULD HAVE OFFSET ONE ANOTHER, OR I SHOULD SAY THE DEPOSIT WOULD HAVE COVERED THE CHECK. AND I WAS ALSO TOLD THAT MR. GARVIN HAD VERIFIED THAT, AND IT WAS ON THAT BASIS THAT HE WOULD ALLOW THE CHECK TO BE WRITTEN ON THAT ACCOUNT.

Q WAS IT YOUR UNDERSTANDING THAT THE PURPOSE OF THAT CHECK WAS TO PERMIT MR. GARVIN TO WIRE A CERTAIN SUM OF MONEY TO A BROKERAGE HOUSE TO FREE UP THE PROFIT THAT MRS. HANSEN HAD MADE AND ALLOW THAT MONEY TO BE WIRED BACK TO MR. GARVIN?

A YES. THAT WAS MY UNDERSTANDING.

Q I WOULD LIKE YOU TO LOOK AT GOVERNMENT'S EXHIBIT NO. 38-C, WHICH IS THE $125,000 CHECK WRITTEN ON THE IDAHO BANK AND TRUST, AND TELL ME, WHO IS THAT MADE OUT TO?

A IT'S MADE OUT TO FIRST SECURITY BANK.

Q AND IT IS IN WHAT AMOUNT?

A 125,000.

Q AND IT'S DATED JANUARY 18TH, 1979; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND WOULD YOU PLEASE TURN THE CHECK OVER AND LOOK ON THE BACK OF THAT AND TELL US WHAT'S ON THE BACK OF THAT CHECK.

A THERE ARE SOME BANK STAMPS, ONE OF WHICH SAYS "FIRST SECURITY BANK, WIRE TRANSFER DEPARTMENT." AND THE OTHER ONE IS THE BANK STAMP THAT IS DATED JANUARY 18TH, '79.

Q FROM YOUR EXPERIENCE, DOES THAT SUGGEST THAT THE CHECK WAS USED BY THE WIRE TRANSFER DEPARTMENT AT FIRST

SECURITY BANK?

A APPARENTLY IT WAS. I REALLY CAN'T SAY FOR SURE.

Q NOW, WAS IT YOUR UNDERSTANDING THAT AT THE TIME YOU DEPOSITED THAT -- OR GAVE THAT CHECK TO MR. GARVIN -- WAS IT YOUR TESTIMONY THAT YOU GAVE THE CHECK TO MR. GARVIN HIMSELF?

A I DELIVERED IT TO MR. GARVIN IN PERSON, YES.

Q WAS IT YOUR UNDERSTANDING THAT FUNDS WOULD BE RETURNED TO MR. GARVIN IN THE COURSE OF THAT SAME DAY WHICH WOULD PERMIT YOU TO TAKE A CASHIER'S CHECK FROM MR. GARVIN'S BANK AND DEPOSIT IT BACK IN THE IDAHO BANK AND TRUST ACCOUNT WHEREON YOU WROTE THE CHECK?

A THAT IS ACCURATE, YES.

Q AND COULD YOU TELL US WHY, AS FAR AS YOU UNDERSTAND, THAT DID NOT OCCUR THE VERY SAME DAY?

A MY UNDERSTANDING WAS -- AND I JUST VAGUELY RECOLLECT THE SITUATION -- THAT THERE WAS A SNOWSTORM, A BAD SNOWSTORM IN CHICAGO, WHERE THE CHECK WAS SUPPOSED TO BE WIRED FROM, AND THAT IT IN SOME WAY -- AND I DON'T KNOW HOW, BUT IN SOME WAY IT DELAYED THE TRANSFER OUT OF THE FUNDS, SO THAT IT WAS PROBABLY THE NEXT DAY WHEN THE FUNDS WERE WIRED. IN ANY CASE, THE CASHIER'S CHECK -- THERE WAS A WEEKEND INVOLVED THERE. THE CHECK WAS WRITTEN ON THURSDAY.

Q RIGHT. SO LET ME SEE IF WE CAN MAKE THIS CLEAR TO THE JURY. YOU HAD GIVEN THE CHECK TO MR. GARVIN.

A YES.

Q MR. GARVIN HAD ARRANGED TO WIRE THE FUNDS, AS YOU UNDERSTAND, TO A BROKERAGE HOUSE IN CHICAGO? IS THAT IT?

A YES.

Q AND THAT WAS IN ORDER TO HELP CLOSE OUT THE SILVER TRANSACTION WHICH MRS. HANSEN HAD ENGAGED IN.

A THAT'S CORRECT.

Q AND IT IS YOUR UNDERSTANDING THAT UNDER ORDINARY CIRCUMSTANCES, THAT WIRE WOULD HAVE BEEN RECIPROCATED WITH A WIRE BACK OF THE FUNDS THAT MR. GARVIN HAD SENT, TOGETHER WITH THE PROFIT WHICH MRS. HANSEN HAD MADE ON THE SILVER TRANSACTION, THE SAME DAY; IS THAT CORRECT?

A THAT'S CORRECT. AND I DO REMEMBER THAT THE TRANSACTION TOOK PLACE EARLY -- FAIRLY EARLY IN THE DAY, BECAUSE I KNOW I HAD SOME TIME. I BELIEVE IT WAS IN THE MORNING, BUT IF NOT, IT WAS AT LEAST VERY EARLY IN THE AFTERNOON, SO I HAD SOME TIME FOR THAT TO TAKE PLACE.

Q AND YOU WERE EXPECTING THAT YOU HAD SUFFICIENT TIME -- BUT FOR THE SNOWSTORM, SUFFICIENT TIME FOR THAT WIRE TRANSFER OUT TO CHICAGO AND BACK WITH THE FUNDS TO TAKE PLACE FOR YOU TO TAKE A CASHIER'S CHECK BACK OVER TO THE IDAHO BANK AND TRUST AND DEPOSIT IT TO COVER THE CHECK WHICH YOU HAD WRITTEN THAT SAME DAY. IS THAT CORRECT?

A THAT'S CORRECT. I FULLY EXPECTED THAT TO BE BACK. AND THAT, IN FACT, IS THE REASON THAT I WROTE THE DEPOSIT

SLIP OUT FOR THAT DATE WHEN I WROTE THE CHECK OUT. I ASSUMED THAT IT WOULD ALL TAKE PLACE THAT SAME DAY.

Q AND THAT DAY WAS A THURSDAY; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND THE FUNDS HAD NOT RETURNED BY THE END OF THAT THURSDAY.

A THAT'S CORRECT.

Q AND THE FUNDS HAD NOT RETURNED BY THE END OF THAT FOLLOWING FRIDAY; IS THAT CORRECT?

A YES.

Q WHEN DID THE FUNDS RETURN?

A I'M NOT SURE EXACTLY WHEN THE WIRE CAME BACK, BUT I RECEIVED THE CASHIER'S CHECK ON THAT WIRE AT FIRST SECURITY BANK FIRST THING MONDAY MORNING, AS SOON AS THE BANK WAS OPENED.

Q AS SOON AS THE BANK WAS OPEN, YOU GOT A CASHIER'S CHECK FOR $125,000. AND WHAT DID YOU DO WITH THAT CASHIER'S CHECK ONCE YOU RECEIVED IT?

A I WALKED ACROSS THE STREET -- FIRST SECURITY BANK AND IDAHO BANK AND TRUST IN POCATELLO HAVE BANKS ON OPPOSITE CORNERS OF THE SAME BLOCK. I WALKED ACROSS THE STREET, DELIVERED THAT CHECK TO SOMEONE THAT I KNEW AT IDAHO BANK AND TRUST, AND INDICATED THAT THERE WAS A CHECK THAT HAD BEEN WRITTEN ON THAT THAT WOULD BE CLEARING, IF IT HADN'T, AND THAT CHECK WAS TO TAKE CARE OF THE -- TO COVER THE CHECK.

AND THEN I LEFT THE BANK.

Q DID THE CHECK BOUNCE?

A THE CHECK DID NOT BOUNCE.

Q SO WHEN YOU ARRIVED THERE MONDAY MORNING WITH THE $125,000 CASHIER'S CHECK, YOU ARRIVED IN TIME TO COVER THE PERSONAL CHECK YOU HAD WRITTEN OUT THE PREVIOUS THURSDAY.

A THAT IS CORRECT.

Q AND THE ONLY REASON THAT THERE WAS ANY DELAY WAS BECAUSE OF CIRCUMSTANCES BEYOND YOUR CONTROL, THAT IS TO SAY, AN ACT OF GOD, A SNOWSTORM IN CHICAGO DURING THE THURSDAY AND FRIDAY PRECEDING.

A THAT'S CORRECT. THAT'S THE ONLY THING THAT PREVENTED THE DEPOSIT GOING IN THE SAME DAY AS THE CHECK.

Q IS IT YOUR UNDERSTANDING IN YOUR DEALINGS WITH MR. GARVIN AT THE TIME YOU TOOK THE CHECK OVER TO HIM THAT HE FULLY EXPECTED THE TRANSACTION TO BE COMPLETED BY THE END OF THE DAY, THURSDAY?

A YES. I KNEW THAT MR. GARVIN KNEW THERE WERE NOT FUNDS IN THE ACCOUNT TO COVER THE CHECK WITHOUT THE MONEY COMING BACK. THEREFORE, I KNEW THAT HE HAD ALREADY CHECKED THAT OUT AND WAS FULLY EXPECTING THAT MONEY TO COME BACK.

Q DID YOU HAVE ANY CONVERSATION WITH MR. GARVIN AT THE TIME YOU GAVE HIM THE CHECK ABOUT YOUR EXPECTATION OF RECEIVING A CASHIER'S CHECK WITHIN A SHORT PERIOD OF TIME AFTER THE TRANSACTION WAS COMPLETED -- THE WIRE TRANSACTION?

A I DON'T REMEMBER THE DETAILS OF THE DISCUSSION, BUT I'M SURE WE MUST HAVE DISCUSSED THE FACT THAT I WAS GOING TO DEPOSIT THE MONEY WHEN IT CAME BACK.

Q YOU DON'T HAVE ANY IDEA WHAT THE DETAILS OF THAT DISCUSSION MAY HAVE BEEN?

A I CAN'T REMEMBER THE DISCUSSION. YOU KNOW, IT HAS BEEN FIVE YEARS SINCE THAT DISCUSSION TOOK PLACE, AND IT WASN'T A VERY -- ANYTHING I WOULD REALLY NORMALLY REMEMBER.

Q DO YOU RECALL TESTIFYING IN FRONT OF THE GRAND JURY ON NOVEMBER 2ND, 1981 -- THIS IS ON PAGE 15 OF THE GRAND JURY TESTIMONY.

THE COURT: IS THERE A COPY OF IT, PLEASE?

MR. CAMPBELL: YES, YOUR HONOR.

THE COURT: I'M SORRY. YOU SAID PAGE 15?

MR. CAMPBELL: PAGE 15, YOUR HONOR, LINES 11 THROUGH 17.

THE COURT: THANK YOU.

BY MR. CAMPBELL:

Q DO YOU RECALL THE PROSECUTOR POSING THE FOLLOWING QUESTIONS TO YOU AT THE TIME OF THE GRAND JURY TESTIMONY:

"QUESTION: DO YOU RECALL WRITING THAT CHECK AND GOING TO SEE MR. GARVIN?" "YES."

"WHAT CONVERSATION DID YOU HAVE WITH HIM?" "IT WAS LIMITED. HE SAID -- HE JUST TOOK THE CHECK, AND HE SAID HE WAS GOING TO SEND A WIRE ON IT AND THAT THERE WOULD BE A

WIRE BACK AND WE COULD DEPOSIT THE FUNDS."

DOES THAT REFRESH YOUR RECOLLECTION, IN ANY EVENT -- OR IN ANY WAY WITH RESPECT TO WHAT MR. GARVIN MIGHT HAVE SAID TO YOU AT THE TIME YOU TOOK THE CHECK OVER TO HIM?

A I'M SURE THAT TOOK PLACE. WHEN I MADE THE STATEMENT IN THE GRAND JURY, I'M SURE WHAT I WAS REFLECTING WAS A -- NOT A WORD-FOR-WORD REPRESENTATION OF WHAT HE SAID, BUT THAT THAT WAS BASICALLY WHAT WAS GOING ON IN THE CONVERSATION. I CAN'T REMEMBER WORD-FOR-WORD WHAT THE CONVERSATION WAS.

Q ALL RIGHT. IS IT FAIR TO SAY FROM YOUR TRANSACTIONS OR YOUR DEALINGS WITH MR. GARVIN OVER THIS TRANSACTION THAT HE HAD ARRANGED TO SEND THE $125,000 WIRE TO THE BROKERAGE HOUSE NOT ON RELIANCE OF THE CHECK THAT YOU GAVE HIM, BUT ON RELIANCE OF SOMETHING ELSE? RELIANCE ON THE FACT THAT THERE WAS A PROFIT IN THE BROKERAGE HOUSE WAITING TO BE RELEASED?

A I AM SURE THAT THAT WAS THE CASE: THAT HE WAS DEPENDING ON THE MONIES COMING TO COVER THE CHECK, YES.

Q LET ME JUST ASK YOU: WHAT IS YOUR UNDERSTANDING OF THE NATURE OF THIS TRANSACTION? IT WAS BASICALLY THE MEETING OF A MARGIN CALL. COULD YOU EXPLAIN TO US WHAT YOU UNDERSTOOD OCCURRED IN THE SATISFACTION OF A MARGIN CALL ON A COMMODITIES TRANSACTION?

THE COURT: ARE YOU ASKING THIS AS A QUESTION, OR ARE YOU MAKING A STATEMENT, MR. CAMPBELL?

MR. CAMPBELL: I AM ASKING HIM AS A QUESTION:

BY MR. CAMPBELL:

Q WHAT IS IT YOU UNDERSTAND ABOUT THE WAY IN WHICH A MARGIN CALL IN A COMMODITIES TRANSACTION IS HANDLED?

A MY UNDERSTANDING OF THE COMMODITIES MARKET IS EXTREMELY LIMITED.

Q WHAT IS YOUR UNDERSTANDING OF HOW IT WORKED IN THIS PARTICULAR CASE?

A MY UNDERSTANDING OF THE MARGIN CALL IS THAT THE MONEY WOULD NEED TO BE SENT BEFORE THE PROFIT COULD BE RETURNED. AND SO I BASICALLY UNDERSTOOD WHY THE $125,000 WAS NEEDED.

Q WAS IT ALSO YOUR UNDERSTANDING THAT AS SOON AS YOU SEND THAT MARGIN MONEY, THAT MARGIN MONEY PLUS THE PROFIT ALL COMES BACK?

A MY UNDERSTANDING WAS AND IS THAT THERE WOULD BE NO REASON FOR IT NOT TO COME BACK ONCE THE MARGIN HAD BEEN SATISFIED.

Q NOW, MR. WEINGARTEN ON DIRECT EXAMINATION ASKED YOU IF THE $87,000 SILVER PROFIT WHICH YOU WERE TRYING TO CLEAR BY ARRANGING THESE DIFFERENT BANKING DETAILS HAD GONE INTO MRS. HANSEN'S SPECIAL ACCOUNT AT IDAHO BANK AND TRUST. DO YOU RECALL HIM ASKING THAT?

A YES.

Q AND DO YOU RECALL ALSO SAYING THAT THE PURPOSE OF

YOUR SETTING UP THIS ACCOUNT WAS TO RECEIVE LOCAL CONTRIBUTIONS FROM PEOPLE IN SOUTHEASTERN IDAHO TO MRS. HANSEN'S PERSONAL SOLICITATION CAMPAIGN? IS THAT CORRECT?

A THAT WAS THE ORIGINAL PURPOSE, YES.

Q NOW, HOW LONG HAD THAT ACCOUNT BEEN OPEN AT THE TIME THIS TRANSACTION TOOK PLACE?

A I BELIEVE THE --

Q WOULD IT BE FAIR TO SAY IT WAS APPROXIMATELY --

THE COURT: SIR, GIVE HIM A CHANCE TO ANSWER IT, ALL RIGHT?

THE WITNESS: THE ACCOUNT WAS OPENED NOVEMBER '78. THE TRANSACTION TOOK PLACE JANUARY '79. SO APPROXIMATELY TWO MONTHS.

BY MR. CAMPBELL:

Q IT WASN'T YOUR UNDERSTANDING AT THE TIME THAT THIS TRANSACTION TOOK PLACE THAT THE PURPOSE OF THAT ACCOUNT HAD CHANGED IN ANY WAY. IS THAT CORRECT?

A THAT'S CORRECT.

Q YOU CONTINUED TO UNDERSTAND AT THAT TIME THAT THE PURPOSE OF THAT ACCOUNT WAS TO COLLECT SMALL LOCAL CONTRIBUTIONS FOR A STOP-OVER, TO BE EVENTUALLY SENT TO CONNIE HANSEN IN WASHINGTON. IS THAT CORRECT?

A YES. THAT WAS THE ORIGINAL PURPOSE AND INTENT OF THAT ACCOUNT.

Q IT WASN'T NECESSARILY TO HOLD ANY OTHER INCOME THAT

MRS. HANSEN MAY HAVE PRODUCED DURING THE COURSE OF THAT ACCOUNT BEING OPEN; IS THAT CORRECT?

A THAT'S CORRECT. I HAD NO OTHER INVOLVEMENT IN ANY OF THE PERSONAL FINANCIAL AFFAIRS, AND SO THAT WAS THE SOLE PURPOSE OF THAT ACCOUNT, WAS FOR THOSE SMALL CONTRIBUTIONS.

Q WHEN ALL WAS COMPLETED IN THIS ENTIRE TRANSACTION, WERE ANY OF THE BANKS HURT IN ANY WAY?

A NO. NOT TO MY KNOWLEDGE.

Q IN OTHER WORDS, IDAHO BANK AND TRUST HAD RECEIVED A $125,000 CASHIER'S CHECK BY THE TIME THE CHECK WHICH YOU HAD WRITTEN OUT THE EARLIER WEEK ARRIVED FOR CLEARANCE; IS THAT CORRECT?

A YES. THE CHECK CLEARED; EVERYTHING WAS COVERED.

Q AND THE SAME IS TRUE AS TO -- CONSEQUENTLY, ISN'T IT TRUE THAT MR. GARVIN AT FIRST SECURITY BANK DIDN'T RECEIVE A DISHONORED CHECK IN RETURN FOR THE DEPOSIT HE HAD MADE OF THE CHECK YOU HAD WRITTEN THE EARLIER WEEK BY THE END OF THIS TRANSACTION?

A THAT'S CORRECT. THE CHECK CLEARED IN DUE COURSE.

MR. CAMPBELL: NO FURTHER QUESTIONS, YOUR HONOR.

THE COURT: REDIRECT, IF ANY.

MR. WEINGARTEN: TWO, YOUR HONOR.

REDIRECT EXAMINATION

BY MR. WEINGARTEN:

Q MR. CALDWELL, IS IT NOT THE CASE THAT YOUR ACCOUNT, WITH $300, WAS USED IN THE SILVER TRANSACTION SO THAT THE HANSENS COULD MAKE A RECORD THAT THE SILVER TRANSACTION WAS CONNIE'S, AND NOT THE CONGRESSMAN'S? IS THAT NOT THE REASON WHY YOUR ACCOUNT WAS USED, SIR?

A THAT WAS -- THE FACT THAT IT WAS CONNIE'S WAS DISCUSSED, BUT THAT WAS NOT THE SOLE REASON IN USING THAT ACCOUNT.

Q ALL RIGHT. DID YOU TESTIFY PURSUANT TO A QUESTION FROM MR. CAMPBELL THAT IT WAS YOUR UNDERSTANDING THEN AND IT'S YOUR UNDERSTANDING TODAY THAT THE SILVER TRANSACTION WAS MRS. HANSEN'S?

A THAT'S CORRECT.

Q AND ISN'T THE REAL INDICATION, THE REAL TEST OF WHOSE SILVER TRANSACTION IT WAS IS WHERE THE MONEY WENT, WHERE THE PROFIT WENT?

A I SUPPOSE THE PERSON THAT IT GOES TO --

Q THAT'S SOME INDICATION, IS IT NOT?

A -- WOULD BE SOME INDICATION OF WHO THE TRANSACTION BELONGED TO.

Q ALL RIGHT, MR. CALDWELL. AS THEIR TAX MAN, DO YOU KNOW WHERE THE $87,000 WENT?

A NO.

Q ALL RIGHT. THANK YOU, SIR.

THE COURT: ANYTHING FURTHER?

MR. CAMPBELL: JUST ONE QUESTION, YOUR HONOR.

RECROSS EXAMINATION

BY MR. CAMPBELL:

Q WHEN MR. WEINGARTEN ASKED YOU WHAT THE TEST IS FOR DETERMINING WHETHER THE TRANSACTION WAS MRS. HANSEN'S OR MR. HANSEN'S, WHAT IS IT YOU ARE SAYING WHEN YOU ARE AGREEING THAT THE TEST IS WHO USES IT?

A I'M NOT SURE I UNDERSTAND.

Q LET ME REPHRASE THE QUESTION. WHAT DO YOU UNDERSTAND MR. WEINGARTEN TO MEAN WHEN HE SAYS WHAT THE TEST IS OF WHOSE TRANSACTION IT IS? WHAT KIND OF TEST ARE WE TALKING ABOUT?

A IN WHO USED IT -- I STILL AM NOT SURE I UNDERSTAND.

Q LET ME ASK YOU THIS: WAS IT CLEAR TO YOU WHAT MR. WEINGARTEN MEANT WHEN HE ASKED YOU WHAT THE TEST IS?

A I ASSUME HE'S GETTING AT TRYING TO PROVE WHO THE MONEY BELONGED TO AND THAT WHERE IT ENDED UP IS ONE WAY TO PROVE THAT.

Q ISN'T IT TRUE THAT AT THE TIME CONGRESSMAN HANSEN CALLED YOU, THAT HE TOLD YOU THAT IT WAS CONNIE'S TRANSACTION IN THE SILVER MARKET?

A YES. THAT WAS THE UNDERSTANDING RIGHT FROM THE FIRST MOMENT I STARTED WORKING WITH THEM.

Q AND ISN'T IT TRUE THAT MRS. HANSEN WAS FREE TO DO WITH THE PROCEEDS OF THAT MONEY WHAT SHE WOULD? SHE COULD DO WHATEVER SHE WANTS WITH THAT MONEY; IS THAT CORRECT?

A THAT'S CORRECT.

MR. CAMPBELL: NO FURTHER QUESTIONS, YOUR HONOR.

THE COURT: ALL RIGHT. THANK YOU FOR YOUR TESTIMONY, MR. CALDWELL. I ASK ONLY THAT YOU NOT DISCUSS IT WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THIS MATTER IS ENTIRELY CONCLUDED. YOU ARE EXCUSED.

LADIES AND GENTLEMEN OF THE JURY, WOULD YOU LIKE TO HAVE A FIVE-MINUTE RECESS AT THIS -- I SEE YOU WOULD. I DON'T EVEN HAVE TO FINISH THE QUESTION.

LET'S SAY TEN MINUTES, BECAUSE BY THE TIME WE GET YOU OUT OF THE BOX AND BACK, THIS IS THE MID-MORNING RECESS. ALL RIGHT.

(SHORT RECESS TAKEN, FROM 11:15 A.M. UNTIL 11:25 A.M.)

AFTER RECESS

MR. LEWIN: BEFORE THE JURY COMES IN, WE HAVE A LEGAL ISSUE WE WOULD LIKE TO DISCUSS.

AT THE BENCH:

MR.WEINGARTEN: MR. LEWIN REQUESTS THAT I MAKE A PROFFER FOR THE NEXT WITNESS. I WOULD BE HAPPY TO AMONG OTHER THINGS.

THE WITNESS IS RICHARD GARVIN, WHO IS A BANKER OF THE FIRST SECURITY BANK OF IDAHO. HE IS REFERRED TO BY MR. CALDWELL AND OTHERS.

HE RECEIVED THE TWO HUNDRED AND 12 THOUSAND DOLLARS FROM CHICAGO FOR THE COMMODITY EXCHANGE; 125 OF THAT WENT BACK TO MR. CALDWELL; 87 REMAINED IN HIS BANK.

WHAT WE PROPOSE TO DO IS SHOW A MONTH'S STATEMENT, THE MONTH WHERE AT THE TIME THE TWO 12 GOES IN, AND THE PURPOSE OF THAT WOULD BE MANIFOLD. ONE WOULD BE, AND I SHOW THE COURT THE STATEMENT AT THIS TIME, TO SHOW THAT IT IS A JOINT ACCOUNT, TO SHOW WHO USES THE ACCOUNT, AND I THINK THE EVIDENCE WILL SHOW THAT IT IS ALMOST EXCLUSIVELY USED BY CONGRESSMAN HANSEN.

THE COURT: YOU SAY A JOINT ACCOUNT? IT SAYS "GEORGE HANSEN.".

MR. COLE: THERE IS AN ACCOUNT DOCUMENT SETTING IT UP. THE BANKER WILL TESTIFY. IT IS GEORGE'S NAME ON THAT, BUT IT HAS ALWAYS BEEN JOINT.

THE COURT: IT IS THE SOLE NAME ON HERE, GEORGE HANSEN.

MR. WEINGARTEN: MOST SIGNIFICANTLY, OF COURSE, WE WILL OFFER EVIDENCE THAT FOLLOWING THE DEPOSIT OF THE SILVER PROFIT, CHECKS WERE WRITTEN BY GEORGE HANSEN.

I THINK THE DISPUTE AT THIS TIME IS WHETHER OR NOT WE ARE PERMITTED TO SHOW THE FULL MONTH. I DON'T KNOW IF THAT IS A FAIR STATEMENT, DISPUTE, BUT TO ANSWER THAT, WE THINK IT'S RELEVANT TO SHOW WHO USES THIS ACCOUNT, AND WE HAVE MANY MANY STATEMENTS FROM THE FIRST SECURITY BANK. WE ONLY PROPOSE TO USE THIS ONE MONTH.

THE COURT: MR. LEWIN?

MR. LEWIN: YOUR HONOR, WITH REGARD TO MR. GARVIN'S PARTICIPATION IN THE WIRE TRANSFER, THE TWO HUNDRED AND 12 THOUSAND. WE HAVE NO OBJECTION TO MR. GARVIN TESTIFYING FULLY TO THAT.

WITH REGARD TO THE FACT THAT A HUNDRED AND 25 THOUSAND DOLLARS WENT BACK TO COVER THE OTHER CHECK, ABSOLUTELY NO OBJECTION TO THAT.

WITH REGARD TO THE FACT THAT 87 THOUSAND DOLLARS WAS DEPOSITED IN THIS ACCOUNT, IT IS PERFECTLY APPROPRIATE. WITH REGARD TO THE FACT THAT CONGRESSMAN HANSEN USES THIS ACCOUNT. INDEED, AS YOUR HONOR HAS JUST NOTICED, IT IS MARKED GEORGE HANSEN. THAT IS FINE.

THERE ARE, AS YOUR HONOR KNOWS, WE HAVE TRIED TO BE CLEAR ON THIS, A VERY SUBSTANTIAL PRIVACY PROBLEM WITH REGARD TO ALL THESE OTHER. THE GOVERNMENT, USING THIS, IN ORDER TO

SHOW ALL KINDS OF OTHER EXPENSES OR CHECKS THAT EITHER CONGRESSMAN OR MRS. HANSEN ARE WRITING AT VARIOUS TIMES.

WE OBJECT TO PUTTING BEFORE THE JURY OR INTO THE RECORD IN ANY WAY THINGS THAT HAVE NOTHING AT ALL TO DO WITH THIS TRIAL. AND THEY ARE SIMPLY DIRECTED TO PUBLIC DISCLOSURE OF CONGRESSMAN HANSEN'S EXPENSES WRITING CHECKS AND THINGS OF THAT KIND.

WE ARE PREPARED TO STIPULATE THAT HE WROTE CHECKS. WE WOULD STIPULATE THAT HE WROTE ALL THE CHECKS ON THAT ACCOUNT.

THE COURT: STATE ONE THING AT A TIME THEN. WHAT I HAVE BEFORE ME IS A TWO-SHEET PIECE OF PAPER THAT IS CALLED STATEMENT OF ACCOUNT. IT IS FOR A SPECIFIC PERIOD OF TIME. IT LISTS REFERENCE NUMBER, DESCRIPTION, WHICH IS CATEGORIZED, AS THE WORD DEPOSIT AND CREDIT MEMO, AND NOTHING OTHER THAN THAT.

IT LISTS A DATE SOMETIME IN THE MONTH OF JANUARY, 1979, AND IT LISTS AMOUNTS. IT DOES NOT SAY TO WHOM THE CHECK WAS DRAWN. ON THESE TWO SHEETS OF PAPER, AND IT HAS A SUMMARY, AND I BELIEVE, ESSENTIALLY, THAT INFORMATION IS ACCURATE.

IN SHORT, IT DOES NOT GIVE ANY SPECIFICS AS TO THE CHECKS OTHER THAN THE DATE AND THE DOLLAR AMOUNT FOR WHATEVER PURPOSES, IT WAS USED OR TO WHOMEVER IT WAS MADE.

WOULD YOU HAVE ANY OBJECTION JUST TO THIS STATEMENT WITHOUT ANY OTHER INFORMATION? ONE THING AT A TIME.

MR. LEWIN: YOUR HONOR, LET ME JUST EXPLAIN. I THINK I WOULD OBJECT TO THAT STATEMENT.

THE COURT: WHY?

MR. LEWIN: BECAUSE, THE MERE FACT THAT IT INDICATES THAT THERE WERE EVEN DEPOSITS OF THE DOLLAR AMOUNTS, WHATEVER THEY HAPPEN TO TO BE, AND THAT BECOMES PART OF THE PUBLIC RECORD WILL LEAD PEOPLE TO SAY, WHAT WAS THE CONGRESSMAN DEPOSITING THERE AT THAT PARTICULAR TIME?

AND IT HAS NOTHING TO DO WITH THE CHARGES IN THIS CASE AND CONSEQUENTLY WE ARE PREPARED TO STIPULATE THAT IT WAS DEPOSITED INTO THAT ACCOUNT.

WE ARE PREPARED TO STIPULATE THAT HE DREW CHECKS ON THAT ACCOUNT.

THE COURT: WILL YOU ACCEPT THE STIPULATION?

MR. WEINGARTEN: NO.

THE COURT: LET ME ASK YOU HOW MUCH FURTHER THAN THE TWO PAGES YOU WANT TO GO INTO, MR. WEINGARTEN? YOU WANT ALL THE CHECKS?

MR. WEINGARTEN: FOR THIS MONTH.

THE COURT: BUT ALL THE CHECKS THAT WERE THE BASIS OF THIS STATEMENT OF ACCOUNT, YOU WOULD WANT THE CHECKS THEMSELVES TO BE PUT BEFORE THE JURY?

MR. WEINGARTEN: YES.

THE COURT: FOR ITEMS THAT DO NOT RELATE TO THE MATTER?

MR. WEINGARTEN: IN THE SPIRIT OF COMPROMISE.

THE COURT: YES, I THOUGHT SO WITH A LITTLE ENCOURAGEMENT.

MR. WEINGARTEN: WE WANT TO INTRODUCE THE CHECKS THAT FOLLOW THE DEPOSIT OF THE SILVER PROFIT AND WE WILL ACCEPT, ASK MR. GARVIN NOT TO INTRODUCE THE OTHER CHECKS BUT SIMPLY TO TESTIFY THEY WERE ALL WRITTEN BY GEORGE HANSEN.

THE COURT: WHEN YOU SAY THE CHECKS TO FOLLOW, YOU MEAN THE CHECKS SPECIFICALLY RELATING TO THE SILVER TRANSACTION, IS THAT WHAT YOU MEAN?

MR. WEINGARTEN: NO. WE INTEND TO PROFFER THE SILVER TRANSACTION GOING INTO THIS ACCOUNT AND THEN WE WANT TO INTRODUCE THE CHECKS THEMSELVES THAT FOLLOW THAT DEPOSIT. I THINK WE ARE ENTITLED TO DO THAT.

THE COURT: CAN I SEE WHICH ONES YOU REFER TO? ARE THEY CHECKS FOR FOOD?

MR. WEINGARTEN: ALMOST EXCLUSIVELY MADE OUT TO CASHIER'S CHECKS THAT WERE DEPOSITED IN ONE PARTICULAR BANK. THESE ARE THE CHECKS. THESE ARE NOT THE GREATEST COPIES.

THE COURT: YOU ARE RIGHT. THEY ARE NOT THE GREATEST COPIES.

MR. LEWIN: MAY I SEE THEM?

MR. WEINGARTEN: I AM SURE WE GAVE THEM.

MR. LEWIN: THEY ARE TOTALLY ILLEGIBLE.

THE COURT: WHEN DID YOU RECEIVE THESE AND KNEW THEY WERE ILLEGIBLE?

MR. LEWIN: WE RECEIVED THEM SEVERAL WEEKS AGO AND WE TOLD THEM THEY WERE ILLEGIBLE.

MR. WEINGARTEN: HE RECEIVED THEM A YEAR AGO. MR. BRAGA CAME TO MY OFFICE.

MR. LEWIN: A YEAR AGO MR. BRAGA WAS NOT IN THE OFFICE.

THE COURT: IN MANY INSTANCES, THESE ARE UNCLEAR ALTOGETHER AND SOME CANNOT BE MADE OUT, AND SOME ARE VERY CLEAR. BUT IF YOU HAD A PROBLEM WITH THAT, I REALLY WISH YOU HAD DONE THAT BEFORE YOU HAD A BENCH CONFERENCE IN THE MIDDLE OF TRIAL AND HAD TAKEN CARE OF IT. I AM SORRY. MR. LEWIN WANTED TO SEE THOSE CHECKS YOU HAD IN MIND. YOU ARE NOT ASKING FOR ALL OF THOSE YOU ARE NOW HOLDING TO BE PRESENTED. JUST HOW MANY?

MR. WEINGARTEN: IF THE COURT LOOKS AT THE STATEMENT, THE TWO HUNDRED AND 12 THOUSAND DOLLARS WAS DEPOSITED JANUARY 22. WHAT WE PROPOSE TO OFFER ARE ALL CHECKS THAT WERE WRITTEN ON THE ACCOUNT AFTER JANUARY 22. UP TO LET'S SAY JANUARY 29, THAT WOULD BE ACCEPTABLE, WHICH WOULD BE FIVE CHECKS.

THE COURT: YOUR PURPOSE FOR DOING THIS IS?

MR. WEINGARTEN: TO SHOW USE.

THE COURT: OF THE MONIES?

MR. WEINGARTEN: YES.

MR. LEWIN: LET ME SAY, I AM VERY RELUCTANT TO MAKE ALLEGATIONS AGAINST OTHER COUNSEL. I HAVE NOT DONE THAT. BUT I THINK MR. WEINGARTEN IS NOT BEING CANDID WITH YOUR HONOR. HE KNOWS HE IS TRYING TO INTRODUCE THESE CHECKS TO CREATE A SMOKE SCREEN REGARDING HUGE AMOUNTS OF CHECKS. CHECKS THAT ARE RUN

BECAUSE THEY ARE IN LARGE AMOUNTS SO AS TO BE ABLE TO IMPLY TO THE JURY THAT THERE WAS OTHER IMPROPRIETY WITH REGARD TO THE CONGRESSMAN BECAUSE HE WAS WRITING HUGE CHECKS.

THE COURT: WILL THE CONGRESSMAN MAKE A STIPULATION THAT THE TWO HUNDRED AND 12 WAS USED BY HIM?

MR. LEWIN: THAT THE MONEY WAS PUT IN HIS ACCOUNT; THAT HE HAD CONTROL OF AND HE MADE CHECKS. BUT I THINK MR. WEINGARTEN IS DOING THAT AT THIS STAGE WHEN HE KNOWS THAT HIS CASE IS COLLAPSING, IN ORDER TO PUT IN HUGE AMOUNTS OF THE CHECKS WITH HUGE AMOUNTS OF DOLLARS IN ORDER TO TRY TO INFLAME THIS JURY.

THE COURT: MR. WEINGARTEN, WOULD YOU ACCEPT THE STIPULATION THAT THE CONGRESSMAN, SOMETHING TO THIS EFFECT THAT THE CONGRESSMAN, THAT THE TWO HUNDRED AND 12 THOUSAND DOLLARS WAS PUT INTO THE CONGRESSMAN'S ACCOUNT. THAT THE CONGRESSMAN USED THIS TWO HUNDRED AND 12 THOUSAND DOLLARS FOR HIS OWN PERSONAL USE AND INTERESTS, AND THAT CHECKS THAT FOLLOWED THAT WERE WRITTEN BY THE CONGRESSMEN WERE DRAWN ON THAT SUM OF MONEY, THE TWO HUNDRED AND 12 THOUSAND DOLLARS. HOWEVER INARTFULLY I MAY HAVE EXPRESSED IT. SOMETHING TO THAT EFFECT. WOULD YOU ACCEPT THE STIPULATION, WHICH WOULD, I PRESUME, TAKE CARE OF OTHER THAN THROUGH THE WORDS OF THE BANKER, THE SAME MATTER THAT YOU WERE ATTEMPTING TO PRODUCE? IT MIGHT MAKE IT CLEARER THAN THESE CHECKS.

MR. LEWIN: YOUR HONOR, IT IS NOT THE TWO HUNDRED AND

12 THOUSAND. IT WAS 87 THOUSAND. THE HUNDRED AND FIVE THOUSAND SIMPLY WENT BACK TO COVER THE CHECKS WRITTEN FOR THE MARGIN. SO, WE ARE NOT FIGHTING ABOUT THE TWO HUNDRED AND 12. WE ARE TALKING ABOUT THE EIGHTY-SEVEN THOUSAND DOLLAR PROFIT.

THE COURT: WHO WROTE THE HUNDRED AND 25 THOUSAND DOLLARS CHECK?

MR. LEWIN: MR. CALDWELL DID.

MR. WEINGARTEN:. I BITTERLY RESENT THE MISREPRESENTATION THAT I AM NOT BEING CANDID. SINCE DISCOVERY WAS MADE ONE YEAR AGO, AND --

THE COURT: GENTLEMEN, BE RELATIVELY CIVIL AT LEAST ON THE SURFACE. LET'S KEEP IT THAT WAY, AND I REALLY WOULD HOPE THAT WE DON'T HAVE TO HAVE ANY OF THESE UNCOMFORTABLE FACTORS. THE CASE IS GOING TO BE LONGER THAN SOME CASES AND THE HOURS ARE LONGER. WE ARE ALL TIRED. BUT IT IS UNNECESSARY TO TALK ABOUT EACH OTHER'S SMOKE SCREENS AND I WOULD HOPE WE KEEP IT ON THAT BASIS.

LET'S TALK ABOUT THE ISSUE THAT YOU HAD TO APPROACH THE BENCH ON.

MR. WEINGARTEN: MR. LEWIN INTRODUCED CHECKS FROM THE OTHER BANK, ARLINGTON COUNTY, AND I THINK THE JURY IS ENTITLED TO SEE WHAT USE IS MADE OF THIS MONEY, AND I AM A HUNDRED PER CENT SURE WE WON'T BE ABLE TO SIT DOWN AND MAKE UP A STIPULATION THAT IS AGREEABLE TO THE PARTIES.

THE COURT: I'LL ALLOW YOU TO USE IT. YOU MAKE YOUR

OBJECTION, MR. LEWIN. THE OBJECTION IS NOTED FOR THE RECORD.

MR. LEWIN: YOUR HONOR, I WANT TO STATE FOR THE RECORD IT SEEMS TO ME IT IS GROSSLY PREJUDICIAL. IT IS BEING INTRODUCED, A MATTER WHICH HAS NO RELEVANCE AT ALL TO THIS CASE. IT IS SIMPLY BEING DONE TO INFLAME THE JURY.

AND I SUBMIT, YOUR HONOR, THAT AS TO THIS VERY CRITICAL POINT, IF IN FACT WHAT MR. WEINGARTEN IS TRYING TO DO, IS LEGITIMATELY WITHIN THE CONFINES OF THE ISSUE THAT IS BEFORE THE JURY, THEN CERTAINLY THE FACT THAT THE CONGRESSMAN USED THAT ACCOUNT AND USED THAT MONEY IS WHAT THE JURY IS ENTITLED TO HEAR. NOT THE SIZE OF CHECKS WHICH EXCEEDED AS HE KNOWS 87 THOUSAND DOLLARS, AND WHATEVER PURPOSE THEY MAY HAVE BEEN USED FOR, AND HE IS TRYING TO SUGGEST THINGS TO THAT JURY, WHICH I THINK IT IS PLAIN BAR TO RELEVANCE OF ISSUES IN THE CASE.

THE COURT: SIR, WE HEARD ABOUT OTHER CHECKS IN THE ARLINGTON COUNTY BANK, SEVERAL THOUSAND DOLLARS, MANY OF THE CHECKS AND SOME SMALLER, IN THE 10'S AND 100'S.

MR. LEWIN: PRECISELY, BECAUSE HE PUT IN 3 NINE THOUSAND DOLLARS CHECKS WHICH ANTIDATED THE DEPOSIT IN THE ARLINGTON BANK. AND YOUR HONOR SAW HOW I WAS GIVEN THOSE CHECKS FOR THE FIRST TIME, THE CHECKS HE WAS GOING TO INTRODUCE RIGHT THERE IN THE COURTROOM AND TO SAVE TIME I SAID TO YOUR HONOR, O. K. ON THE REPRESENTATION HE WOULD EXCEPT THESE, AND I LOOKED AT THE DATES AND SAW HE PUT IN 3 NINE THOUSAND DOLLAR

CHECKS THAT CAME BEFORE THE DATE OF THE DEPOSIT.

I PRESENTED THEM TO THE WITNESS, AND THE REASON I PRESENTED THE OTHER CHECKS WAS TO SHOW MRS. HANSEN WAS WRITING OUT CHECKS. THEY WERE TRYING TO MISLED THE JURY TO SHOW THAT ONLY CONGRESSMAN HANSEN WAS WRITING CHECKS.

THE COURT: GENTLEMEN, CAN YOU WORK OUT A STIPULATION? MR. WEINGARTEN INDICATED YOU COULD NOT. YOU ARE GOING TO CONFINE THIS TO THE FOUR OR FIVE CHECKS THAT SUCCEEDED THE TWO HUNDRED AND TWELVE THOUSAND DOLLARS. LET'S MOVE ON OVER OBJECTION.

OPEN COURT:

(WHEREUPON, AT 11:45, THE JURY ENTERED.)

THE COURT: MR. GARVIN, WOULD YOU COME AROUND HERE AND THE OATH WILL BE ADMINISTERED.

WHEREUPON,

RICHARD W. GARVIN

WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

THE COURT: GOOD MORNING, MR. GARVIN.

BY MR. WEINGARTEN:

Q. YOUR FULL NAME, SIR?

A. FULL NAME IS RICHARD W. GARVIN.

Q. FOR THE RECORD WOULD YOU SPELL YOUR LAST NAME?

A. G A R V I N.

Q. WHERE DO YOU LIVE, SIR,?

A. POCATELLO, IDAHO.

Q. HOW ARE YOU EMPLOYED?

A. I AM SENIOR VICE PRESIDENT WITH THE FIRST SECURITY BANK OF IDAHO.

Q. AND WHERE'S THE BANK?

A. THE BANK'S PRINCIPAL HEADQUARTERS IN BOISE. THE BANKING OFFICES IN WHICH I WORK ARE IN POCATELLO.

Q. DO YOU KNOW AN INDIVIDUAL NAMED GEORGE HANSEN?

A. YES, I DO.

Q. HOW LONG HAVE YOU KNOWN HIM?

A. APPROXIMATELY 18, 19 YEARS.

Q. IN WHAT CAPACITY?

A. HE HAS BANKED WITH FIRST SECURITY BANK SINCE THAT TIME AT LEAST.

Q. AND HAVE YOU DEALT WITH HIM PERSONALLY?

A. YES, I HAVE.

Q. AND WHAT KIND OF BANKING HAS HE DONE AT FIRST SECURITY?

A. OVER THE YEARS, HE HAS HAD A CHECKING ACCOUNT, SAVINGS ACCOUNT, NUMEROUS COMMERCIAL TYPE LOANS, AND NUMEROUS INSTALMENT LOANS, AND ONE OR MORE REAL ESTATE LOANS.

Q. MR. GARVIN, DO YOU KNOW CONNIE HANSEN?

A. YES, I DO.

Q. DO YOU KNOW HER PERSONALLY?

A. YES.

Q. HAS SHE HAD ACCOUNTS WITH YOUR BANK AS WELL?

A. NOT THAT I KNOW IN HER OWN NAME.

Q. HAS SHE HAD JOINT ACCOUNTS WITH HER HUSBAND, CONGRESSMAN GEORGE HANSEN?

A. YES.

Q. WHAT KIND OF ACCOUNTS?

A. AGAIN, CHECKING ACCOUNT, SAVINGS ACCOUNT. AND I AM SURE SHE WAS A PARTY ON THE REAL ESTATE LOANS. AS TO THE OTHER LOANS, I AM NOT SURE.

Q. MR. GARVIN, DID THERE COME A TIME, TO BE SPECIFIC JANUARY 16, SOMETIME IN JANUARY, 1979, WHEN YOU RECEIVED A PHONE CALL FROM CONGRESSMAN HANSEN AND A REQUEST?

A. YES.

Q. RELATING TO A SILVER TRANSACTION?

A. I GOT A PHONE CALL IN THE MORNING INDICATING THAT CONGRESSMAN HANSEN WOULD NEED 125 THOUSAND DOLLARS WITHDRAWN FROM HIS CHECKING ACCOUNT WITHIN JUST A VERY SHORT PERIOD OF TIME, A MATTER OF HOURS, AND HAD MADE A CALL TO ME TO SEE IF I COULD GET IT EFFECTED.

Q. WHAT DID YOU DO?

A. WE CHECKED THE ACCOUNT BALANCE AND FOUND THAT IT DID NOT CONTAIN 125 THOUSAND DOLLARS, AND AS I THINK THE CONGRESSMAN KNEW WHEN HE CALLED THAT IT DID NOT, SO AT THAT POINT, WE ENTERED INTO A CONVERSATION ON THE TELEPHONE AS TO HOW WE COULD IN FACT WITHDRAW THE 125 THOUSAND DOLLARS WHEN IT

WASN'T THERE AT THAT TIME.

Q. WHO WERE YOU SPEAKING WITH?

A. I WAS SPEAKING WITH CONGRESSMAN HANSEN AT THAT POINT.

Q. WAS SOME ARRANGEMENT REACHED?

A. HE INDICATED THAT IT WAS A COMPLICATED TRANSACTION, AS I RECALL, AND THAT HE WOULD BE HAVING A BROKER IN CHICAGO CALLING ME WITHIN JUST A FEW MOMENTS OF THE TELEPHONE CALL FROM CONGRESSMAN HANSEN TO EXPLAIN HOW THE FUNDS WOULD BE WIRED INTO THE ACCOUNT IN MY BANK.

Q. ALL RIGHT. PURSUANT TO THE CONVERSATION YOU HAD WITH CONGRESSMAN HANSEN, WHAT EVENTS TRANSPIRED?

AND I TELL YOU THAT MR. CALDWELL HAS JUST TESTIFIED, AND HE HAS TESTIFIED AS TO WHAT HE DID.

A. I GOT A CALL FROM A GENTLEMEN IN CHICAGO INDICATING THAT FUNDS WOULD BE WIRED INTO THE BANK THROUGH OUR HEAD OFFICE IN BOISE, IDAHO, AND ASSURED ME THAT THE MONEY WAS EN ROUTE, AS I RECALL, GAVE ME THE BANK FROM WHICH IT WOULD EMANATE IN CHICAGO, INDICATING THAT WE COULD SAFELY WITHDRAW THE 125 THOUSAND DOLLARS EITHER LATER THAT MORNING OR IN THE AFTERNOON OF THE SAME DAY.

Q. AND IN FACT, WAS THAT DONE?

A. THAT WAS DONE, YES, AND SOMETIME THAT DAY, ON THE 22ND OF JANUARY, THE FUNDS WERE WITHDRAWN, IN THE FORM OF A DEBIT TO THE CHECKING ACCOUNT OF CONGRESSMAN AND MRS. HANSEN, AND A CASHIER'S CHECK FOR 125 THOUSAND DOLLARS WAS PREPARED, I

BELIEVE, TO CONNIE HANSEN.

Q. WHY WAS CALDWELL'S CHECK NECESSARY? WHAT ROLE DID THAT PLAY?

A. I AM NOT ABLE TO EVEN INDICATE AT THIS POINT WHAT PART IT PLAYED. I DON'T RECALL, AND, CERTAINLY, AT THAT TIME EVEN BEING AWARE THAT THERE WAS A CHECK FOR 125 INVOLVED FROM LEE CALDWELL.

Q. IF CONGRESSMAN HANSEN HAD HAD THAT KIND OF MONEY IN HIS CHECKING ACCOUNT, COULD YOU HAVE WIRED IT PURSUANT TO HIS INSTRUCTION FROM WASHINGTON.

A. YES.

Q. DID YOU NEED SOMEONE TO COME TO YOUR BANK AND SIGN FOR THE CHECK?

A. NO.

Q. MR. GARVIN, I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT'S EXHIBIT 39-A AND ASK YOU IF YOU CAN IDENTIFY IT?

A. I HAVE NOT SEEN THIS BEFORE.

Q. DOES IT MENTION FIRST SECURITY?

A. IT HAS FIRST SECURITY BANK, BOISE, FOR THE POCATELLO BRANCH, CREDIT CONNIE HANSEN. AND THE ITEM APPARENTLY ORIGINATED IN THE CONTINENTAL BANK OF CHICAGO.

Q. DOES THAT REFLECT THE WIRE TRANSFER YOU JUST TESTIFIED ABOUT?

A. I WOULD SUSPECT IT DOES. I AM NOT FAMILIAR WITH THE DOCUMENTATION COMMON TO THE WIRE DEPARTMENT OF OUR HEAD OFFICE

BANK, BUT IT APPEARS TO BE A CREDIT FOR THEIR ACCOUNT.

Q. IS THAT CONSISTENT WITH YOUR TESTIMONY AS TO HOW THE MONEY WAS WIRED FROM YOUR BANK TO CHICAGO?

A. IT WOULD BE CONSISTENT, YES.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE, GOVERNMENT EXHIBIT 39-A, YOUR HONOR.

THE COURT: NO OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT NO. 39-A WAS RECEIVED INTO EVIDENCE.

BY MR. WEINGARTEN:

Q. MR. GARVIN, I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 39-B, AND ASK YOU, SIR, IF YOU CAN IDENTIFY THAT?

A. IT IS A COPY OF THE JOINT ACCOUNT, SIGNATURE CARD WHICH MY BANK USES.

Q. AND WHO IS ON THAT SIGNATURE CARD?

A. GEORGE V. HANSEN, AND CONNIE S. HANSEN.

Q. WHAT TYPE OF AN ACCOUNT IS THAT, SIR?

A. IT IS A JOINT ACCOUNT.

Q. CHECKING AND SAVINGS?

A. IT IS A CHECKING ACCOUNT, YES.

Q. WHEN WAS THE ACCOUNT OPENED?

A. THE ACCOUNT WAS OPENED JUNE 1 OF 1966.

Q. AND TO YOUR KNOWLEDGE, DID IT REMAIN OPEN FOR A PERIOD

OF TIME?

A. YES, IT DID.

Q. IS IT OPEN TODAY?

A. I DON'T THINK IT IS OPEN TODAY, BUT IT WOULD HAVE BEEN OPEN UP UNTIL CERTAINLY TWO YEARS AGO.

Q. MOVE INTO EVIDENCE GOVERNMENT EXHIBIT 39-B.

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT 39-B WAS RECEIVED INTO EVIDENCE.)

BY MR. WEINGARTEN:

Q. THANK YOU. I HAND YOU SIR, GOVERNMENT EXHIBIT 39-C, AND ASK YOU IF YOU CAN IDENTIFY IT?

A. IT'S A PHOTOCOPY OF THE CHECKING ACCOUNT STATEMENT OF THIS JOINT CHECKING ACCOUNT OF CONGRESSMAN AND MRS. HANSEN.

Q. WHEN IS IT DATED, SIR?

A. THE STATEMENT DATE IS JANUARY 31, 1979.

Q. AND WHAT PERIOD OF TIME DOES IT COVER?

A. IT COVERS THE PERIOD OF TIME FROM DECEMBER 29, 1978, THROUGH JANUARY 31, 1979.

Q. IS THERE ANYWHERE INDICATED ON THAT ACCOUNT, THE WIRE TRANSFER OF 125 THOUSAND DOLLARS FROM YOUR BANK TO CHICAGO?

A. A WIRE TRANSFER? NO, THERE IS NOT.

Q. ALL RIGHT. IS THERE ANYWHERE INDICATED, THE 125 THOUSAND DOLLARS CHECK THAT WENT FROM YOUR BANK TO IDAHO BANK

AND TRUST, THE CALDWELL CHECK?

A. THERE IS AN INDICATION ON THE SECOND PAGE OF THE STATEMENT INDICATING DEBIT MEMO, ON JANUARY 22, 1979, IN THE AMOUNT OF 125 THOUSAND WHICH WAS THE ENTRY TO THAT ACCOUNT USED FROM WHICH IS GENERATED A CASHIER'S CHECK.

Q. AND IS THERE ALSO INDICATED SOMEWHERE ON THAT ACCOUNT THE RECEIPT OF TWO HUNDRED AND 12 THOUSAND DOLLARS FROM THE CHICAGO COMMODITIES HOUSE?

A. THERE IS AN INDICATION ON JANUARY 22 OF 1979, OF A DEPOSIT IN THE AMOUNT OF TWO HUNDRED AND 12 THOUSAND FOUR HUNDRED AND 75 DOLLARS. BY VIRTUE OF THIS STATEMENT HERE IT DOES NOT INDICATE THE SOURCE OF THE FUNDS.

Q. DO YOU HAVE PERSONAL KNOWLEDGE OF THAT?

A. I HAVE PERSONAL KNOWLEDGE THAT IT WAS IN THE FORM OF A WIRE.

Q. FROM CHICAGO?

A. CORRECT.

Q. MAY I APPROACH YOU WITH 39-D?

THE COURT: YOU MAY APPROACH THE WITNESS.

BY MR. WEINGARTEN:

Q. I HAND YOU, SIR, WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 39-D, AND ASK YOU IF YOU CAN IDENTIFY IT?

A. IT IS A PHOTOCOPY OF A DEPOSIT SLIP, DATED JANUARY 22 OF 1979, INDICATING A WIRE TRANSFER FOR TWO HUNDRED 12 THOUSAND FOUR HUNDRED -- IT IS HARD TO READ -- 75 DOLLARS.

Q. DOES THAT CORRESPOND, SIR, WITH YOUR RECOLLECTION OF THE WIRE TRANSFER FROM CHICAGO?

A. YES.

Q. AND IS THAT DEPOSIT SLIP REFLECTED ON GOVERNMENT EXHIBIT 39-C?

A. YES, IT IS.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE AT THIS POINT 39-C AND 39-D.

THE COURT: COUNSEL?

MR. LEWIN: WE OBJECT TO THE 39-C.

THE COURT: OVER OBJECTION, 39-C IS IN EVIDENCE. AS TO 39-D?

MR. LEWIN: NO OBJECTION.

THE COURT: 39-D IS IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBITS 39-C AND 39-D WERE RECEIVED INTO EVIDENCE.)

BY MR. WEINGARTEN:

Q. ARE THERE CHECKS WRITTEN ON THIS ACCOUNT REFLECTED BY 39-C?

A. YES, THERE ARE.

Q. DO YOU HAVE PERSONAL KNOWLEDGE AS YOU SIT AT THE WITNESS TABLE, WHO WROTE MOST OF THE CHECKS IN THAT ACCOUNT?

A. I DON'T HAVE PERSONAL KNOWLEDGE OF WHO WROTE THEM WITHOUT LOOKING AT THE EXHIBITS. THEY COULD HAVE BEEN SIGNED BY GEORGE HANSEN. THEY MAY HAVE BEEN SIGNED BY ONE OF HIS AGENTS.

Q. WELL, DO YOU RECALL WHOSE SIGNATURE APPEARS IN ALMOST EVERY INSTANCE ON THAT ACCOUNT ON THE SIGNATURE LINE?

A. GEORGE HANSEN'S NAME USUALLY APPEARED.

Q. IS IT USUALLY OR IS IT ALMOST ALWAYS OR WOULD YOU PREFER TO SEE THE CHECKS?

A. LET'S SAY I DON'T RECALL ANY OTHER NAME OTHER THAN GEORGE HANSEN BEING ON THOSE ACCOUNTS.

Q. IN YOUR EXPERIENCE WITH THAT ACCOUNT, HAVE YOU EVER SEEN CONNIE HANSEN'S NAME ON ANY CHECK?

A. I DO NOT SPECIFICALLY REMEMBER ANY.

Q. AND HOW LONG ARE YOU FAMILIAR WITH THE EXISTENCE OF THIS ACCOUNT?

A. FOR A GOOD 15 YEARS.

Q. MR. GARVIN, TAKE A LOOK, IF YOU WOULD AT THAT STATEMENT, GOVERNMENT EXHIBIT 39-C, AND SEE IF YOU CAN FIND WHETHER OR NOT CHECKS WERE WRITTEN ON THE ACCOUNT AFTER THE RECEIPT OF THE TWO HUNDRED AND 12 THOUSAND DOLLARS?

A. YES, THERE WERE CHECKS WRITTEN. THE ONE DEBT-MEMO TO WHICH I REFERRED EARLIER IN THE AMOUNT OF 125 THOUSAND WAS WITHDRAWN FROM THAT ACCOUNT THAT DAY.

ALSO, ON THE 22ND OF JANUARY, THERE WERE CHECKS DRAWN --

Q. ALL RIGHT. WHY DON'T WE SAY FOLLOWING JANUARY 22, THE DAY FOLLOWING?

A. O. K., THERE WERE NUMEROUS CHECKS ON THAT DATE.

Q. EXCUSE ME. WHY DON'T YOU BEGIN WITH JANUARY 24, 1979.

ARE THERE ANY CHECKS WRITTEN ON JANUARY 23RD?

A. NO, THERE ARE NOT.

Q. ALL RIGHT. ON JANUARY 24, IS THERE A CHECK WRITTEN ON THE ACCOUNT?

A. A CHECK WAS CLEARED THROUGH THE ACCOUNT ON JANUARY 24 IN THE AMOUNT OF 30 THOUSAND.

Q. WHAT ABOUT THE 25TH?

A. ON THE 25TH, THERE WERE TWO IN THE AMOUNT OF 30 THOUSAND AND 43 THOUSAND DOLLARS.

Q. WHAT ABOUT THE NEXT DAY?

A. THE 26TH, A CHECK FOR 28 THOUSAND DOLLARS.

Q. WHOSE SIGNATURE APPEARS ON THOSE CHECKS, SIR, DO YOU KNOW?

A. NOT WITHOUT REFERRING TO THE ITEMS, NO, SIR.

Q. I HAND YOU, SIR, GOVERNMENT EXHIBIT 39-E. I ASK YOU IF THOSE CHECKS CORRESPOND WITH THE CHECKS THAT YOU HAVE JUST RECITED. ARE THOSE COPIES TOUGH TO READ?

A. THEY ARE A LITTLE FADED BUT I CAN SEE THEM. YES, THEY APPEAR TO COINCIDE.

Q. WHOSE SIGNATURE APPEARS ON THE SIGNATURE LINE OF THOSE CHECKS?

A. GEORGE V. HANSEN.

Q. MR. GARVIN, IF YOU LOOK AT THE BALANCE ON THAT ACCOUNT AS OF JANUARY 25, WHAT WOULD IT BE, SIR, IF THAT IS REFLECTED?

A. JANUARY 25, THE BALANCE WAS FOUR THOUSAND FOUR HUNDRED

27 DOLLARS 14 CENTS.

Q. MR. GARVIN, DO YOU HAVE KNOWLEDGE OF WHERE THOSE CHECKS WENT, THOSE FOUR CHECKS, WHAT MR. HANSEN DID WITH THEM?

A. NO, I REALLY DON'T.

Q. DO YOU KNOW IF HE DID ANYTHING WITH REFERENCE TO YOUR BANK WITH THOSE CHECKS? DO YOU RECALL?

A. NO, I DO NOT. THE ONLY THING IT DOES INDICATE THAT THERE WERE CASHIER'S CHECKS PREPARED, AND THESE WERE THE DEBITS REMOVING THE FUNDS FROM THE CHECKING ACCOUNT SO THAT A CASHIER'S CHECK COULD BE PREPARED.

Q. ALL RIGHT. JUST SO IT IS CLEAR: FROM THOSE CHECKS THAT WERE WRITTEN ON JANUARY 24, 25, AND 26, CASHIER'S CHECKS WERE PREPARED BY YOUR BANK?

A. THAT IS CORRECT.

Q. AND, AGAIN, WHO SIGNED THOSE CHECKS, OR WHOSE SIGNATURE APPEARS?

A. GEORGE V. HANSEN.

Q. MR. GARVIN, ARE YOU FAMILIAR WITH ANY PROPERTY SEPARATION AGREEMENT THAT WAS EVER REACHED BY MR. AND MRS. HANSEN?

A. I HAVE HEARD OF IT. THE RECORDS AT THE BANK, AS FAR AS I KNOW, DID NOT CONTAIN WRITTEN EVIDENCE OF IT.

Q. DID THEY EVER COME TO YOU, AND SAY, MR. GARVIN, WE SEPARATED OUR PROPERTY, AND WE WANT TO SEPARATE OUR ACCOUNTS?

A. NO, I DON'T BELIEVE SO.

Q. HAVE THEY ALWAYS HAD JOINT ACCOUNTS AT YOUR BANK?

A. OUR RECORDS WOULD INDICATE THAT IS THE CASE, YES.

Q. WAS THERE ANY CHANGE IN THE STATUS OF THEIR ACCOUNTS IN 1977?

A. I DON'T KNOW OF ANY.

Q. MR. GARVIN, YOU HAVE INDICATED THAT IN ADDITION TO HAVING AN ACCOUNT AT YOUR BANK, MR. HANSEN DOES OTHER BUSINESS, OR DID OTHER BUSINESS WITH THE FIRST SECURITY BANK, AND WHAT TYPE OF BUSINESS WOULD THAT BE?

A. VARIOUS TYPES OF LOANS.

Q. DID HE EVER RECEIVE A DEED OF TRUST FROM YOUR BANK?

A. HE GRANTED US A DEED OF TRUST ON AT LEAST ONE OCCASION AND PERHAPS TWO.

Q. AND WAS COLLATERAL PUT UP TO SUPPORT THAT DEED OF TRUST?

A. YES, THEIR PERSONAL RESIDENCE AT POCATELLO WAS USED.

Q. WHOSE NAME WAS ON THE LOANS IF YOU KNOW?

A. IT WOULD BE IN THE NAME OF GEORGE V. HANSEN AND CONNIE S. HANSEN.

Q. DO YOU RECALL WHETHER OR NOT THESE DEEDS OF TRUST OCCURRED, OR DO YOU REMEMBER WHAT TIME THEY WOULD HAVE OCCURRED?

A. NOT SPECIFICALLY. THE FIRST ONE I WOULD BE VAGUELY AWARE OF WOULD BE IN THE EARLY 70'S.

Q. WERE THERE OTHERS?

A. I BELIEVE THERE MAY WELL HAVE BEEN, YES.

Q. WAS THERE EVER A REPRESENTATION TO YOU THAT THE PERSONAL RESIDENCE IN IDAHO BELONGED TO MRS. CONNIE HANSEN AND NOT TO CONGRESSMAN HANSEN?

A. NO, THAT WAS NEVER MENTIONED.

Q. AND TO SUPPORT LOANS THAT GEORGE HANSEN RECEIVED FROM YOUR BANK DID HE EVER SUBMIT A FINANCIAL STATEMENT TO YOU?

A. YES.

Q. I HAND YOU SIR, 39-E.

THE COURT: 39-E?

MR. WEINGARTEN: NO, 39-F.

BY MR. WEINGARTEN:

Q. I HAND YOU 39-F AND ASK YOU IF YOU CAN IDENTIFY IT.

A. THIS IS A COPY OF THE FINANCIAL STATEMENT TO MY BANK DATED NOVEMBER 9TH OF 1978 IN THE NAME OF GEORGE V. HANSEN.

Q. WHEN YOU SAY YOUR BANK?

A. THE FIRST SECURITY BANK OF IDAHO.

Q. AND YOU RECOGNIZE THAT DOCUMENT?

A. I DON'T RECALL SPECIFICALLY HAVING SEEN THIS, BUT IF IT WERE IN THE FILE I AM SURE I HAVE AT ONE POINT OR ANOTHER.

Q. ALL RIGHT. IS IT CONSISTENT WITH THE KIND OF DOCUMENTS THAT WOULD BE IN YOUR FILE?

A. YES, IT WOULD BE.

Q. AND ARE YOU FAMILIAR AND HAVE YOU RELIED ON FINANCIAL STATEMENTS FROM CONGRESSMAN HANSEN?

A. YES, WE HAVE.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT'S EXHIBIT 39-F.

MR.CAMPBELL: I AM SORRY, YOUR HONOR, I AM NOT CERTAIN.

THE COURT: WOULD YOU?

MR. WEINGARTEN: 39-F, THE FINANCIAL STATEMENT.

THE COURT: IS THERE ONLY ONE?

MR. LEWIN: YOUR HONOR, MIGHT I HAVE A BRIEF VOIR DIRE?

THE COURT: AS TO THIS BEING A RECORD OF THE BANK?

MR. LEWIN: YES.

THE COURT: YES, OF COURSE.

BY MR. LEWIN:

Q. WITH REGARD TO THIS DOCUMENT, MR. GARVIN, YOU SAID YOU DON'T SPECIFICALLY RECOGNIZE THIS DOCUMENT THAT IS BEFORE YOU?

A. I DON'T SPECIFICALLY RECOGNIZE IT IN THAT IT IS NOT THE FORM OF FINANCIAL STATEMENT WE CUSTOMARILY USE.

MR. LEWIN: IN OTHER WORDS, YOU DON'T KNOW WHETHER THE ORIGINAL OF THIS ACTUALLY IS IN THE FILE OF THE BANK?

A. I DO NOT SPECIFICALLY KNOW THAT IT IN THE FILE OF THE BANK, NO.

MR. LEWIN: WE OBJECT TO IT.

THE COURT: COUNSEL TO THE BENCH. YOU MAY STEP DOWN, MR. GARVIN.

AT THE BENCH:

THE COURT: APPARENTLY, THE WITNESS SAYS IT IS NOT THE USUAL FORM THAT BANK USES. IT IS NOT PRINTED AT THE TOP

ALTHOUGH THAT IS WRITTEN IN AT THE TOP. AND HE ONLY SAID HE ASSUMED IT CAME FROM THE BANK, BUT HE CANNOT TELL.

MR. WEINGARTEN: IT WAS TURNED OVER TO US BY A SUBPOENA.

THE COURT: THAT MAY BE BUT CLEARLY THIS WITNESS HAS NOT BEEN ABLE TO SO TESTIFY.

MR. WEINGARTEN: LET ME HAVE ONE MORE SHOT AND IF I CAN'T DO IT WE WILL TAKE ALTERNATIVE MEASURES.

IN OPEN COURT:

THE COURT: WOULD YOU RESUME THE STAND, MR. GARVIN.

BY MR. WEINGARTEN:

Q. MR. GARVIN, DO YOU RECALL RECEIVING A GRAND JURY SUBPOENA A LONG TIME AGO IN THIS CASE?

A. YES.

Q. AND YOU RECALL PRODUCING CERTAIN DOCUMENTS?

A. YES.

Q. CONSISTENT WITH THAT SUBPOENA?

A. YES.

Q. AND DO YOU RECALL PRODUCING LOAN DOCUMENTS CONSISTENT WITH THAT SUBPOENA?

A. YES, WE DID.

Q. AND PURSUANT TO THAT SUBPOENA, DID YOU PRODUCE A FINANCIAL STATEMENT WHICH IS IDENTICAL TO GOVERNMENT EXHIBIT 39-F?

A. I DON'T RECALL ALL OF THE DOCUMENTS. I BROUGHT SOME TWO YEARS AGO. THERE WERE QUITE A LOT OF THEM. I WOULD HAVE

BROUGHT WHATEVER FINANCIAL STATEMENT FORM WOULD HAVE BEEN IN THOSE LOAN FILES.

Q. SO, IS IT FAIR TO SAY IN YOUR DEALINGS WITH GEORGE HANSEN YOU DON'T RECALL THAT FINANCIAL STATEMENT SITTING ON THE TABLE?

A. NOT SPECIFICALLY, NO.

Q. HAVE YOU RELIED ON FINANCIAL STATEMENTS FROM CONGRESSMAN HANSEN IN MAKING LOANS?

A. YES, I HAVE.

Q. AND DO YOU RECALL ON THAT FINANCIAL STATEMENT HOW HE REPRESENTS THE OWNERSHIP OF REAL ESTATE?

A. AS I RECALL IT WAS ALWAYS SHOWN AS JOINT OWNERSHIP.

Q. HOW ABOUT OWNERSHIP OF CARS?

A. THERE WAS NOTHING TO INDICATE THEY WERE SEPARATED ON THE FINANCIAL STATEMENT.

THE COURT: WELL, HOW WAS IT SHOWN?

THE WITNESS: WITHOUT REFERRING TO FINANCIAL STATEMENTS, I WOULD HAVE A DIFFICULT TIME ANSWERING THAT, YOUR HONOR.

BY MR. WEINGARTEN:

Q HAS IT EVER COME TO YOUR ATTENTION THAT IN YOUR DEALINGS WITH CONGRESSMAN HANSEN THAT AUTOMOBILES OWNED BY THE HANSENS ARE ONLY OWNED BY CONNIE HANSEN?

A. TO MY RECOLLECTION THERE WAS NO DISTINCTION AS TO OWNERSHIP. IT WAS MY ASSUMPTION THEY WERE OWNED JOINTLY.

MR. WEINGARTEN: ALL RIGHT. WE WITHDRAW GOVERNMENT EXHIBIT 39-F AT THIS TIME.

NO FURTHER QUESTIONS.

THE COURT: DO YOU WISH TO CONTINUE YOUR CROSS-EXAMINATION FOR FIVE OR 10 MINUTES, MR. LEWIN, OR DO YOU WISH TO HAVE THE CROSS-EXAMINATION IF IT IS GOING TO TAKE LONGER THAN THAT AFTER LUNCH?

MR. LEWIN: AFTER LUNCH.

THE COURT: ALL RIGHT. MR. GARVIN, APPARENTLY YOU WILL BE NEEDED FOR MORE THAN FIVE MINUTES AFTER LUNCH. I ASK YOU NOT DISCUSS IT WITH ANYONE ELSE UNTIL THIS MATTER IS CONCLUDED. HAVE A GOOD LUNCH.

LADIES AND GENTLEMEN OF THE JURY WE WILL RETIRE FOR LUNCHEON NOW. COME BACK AT 1:30 THIS AFTERNOON FOR A CONTINUATION OF THE TESTIMONY IN THIS CASE SPECIFICALLY BEGINNING WITH CROSS-EXAMINATION OF MR. GARVIN.

HAVE A GOOD LUNCH AND REMEMBER THE ADMONITION NOT TO DISCUSS THE CASE.

(WHEREUPON, AT 12:10 P. M., THE ABOVE-ENTITLED MATTER WAS RECESSED FOR LUNCHEON, TO RECONVENE THE SAME DAY AT 1:30 P. M.)

AFTERNOON SESSION

THE COURT: Good afternoon.

Are we ready for the jury?

MR. WEINGARTEN: Yes.

MR. LEWIN: Yes.

THE COURT: Bring the jury in.

We will go this afternoon until approximately 4:00.

(Jury present at 1:35)

THE COURT: Good afternoon, ladies and gentlemen. Shall we continue. Mr. Garvin, will you kindly come back to the witness chair. You are, of course, still under oath and we will continue in that measure.

Whereupon,

RICHARD GARVIN

resumed the stand and, having been previously duly sworn by the Deputy Clerk, was examined and testified further as follows:

THE COURT: Mr. Lewin, cross-examination.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. Good afternoon, Mr. Garvin. I haven't talked to you before? You haven't met me?

A. No.

Q. Just briefly in the hall?

A. That is it.

Q. Let me turn, first, to the matter of this $212,000 transaction that you testified about. The details of how that all happened are really pretty fuzzy in your mind, aren't they?

A. They are at this time, yes.

Q. They were, in fact, more than two years ago, back in December of 1981 wnen you testified before the grand jury, they were fuzzy?

A. They were, yes.

Q. You said then that you didn't recall the details of the events of that day, isn't that true?

A. That is correct.

Q. But you do know that in terms of what actually happened on that day, or in those few days when this transaction occurred, nobody was hurt, no bank was left with any liability or anything like that?

A. There was no exposure for us, no.

Q. You got an assurance from somebody in Chicago that $125,000 was being held and would be released, is that right?

A. We were assured by them that we would be covered, yes.

Q. In fact, that money was sent to you, to your bank, and it was covered, that check was covered?

A. That is correct.

Q. In fact, I think you used the word "conduit" in the grand jury, didn't you, that the Chicago broker was sort of the conduit in terms of this money? He told you he was the conduit, the money would be received by him and he would release the equivalent amount back to you?

A. That is as I understood it.

Q. Yes. You did know, at least at the time, didn't you, that it had something to do with a silver commodities purchase of some kind?

A. I am not even sure at this time that the word "silver" was mentioned. It may have been.

Q. It has been some time since you testified before the grand jury, but you did testify before the grand jury, did you not, in answer to Mr. Weingarten's question --

THE COURT: Mr. Lewin, do you have an extra copy?

MR. LEWIN: It is page 17 of the transcript.

THE COURT: You have another copy, I hope?

MR. LEWIN: Yes, Your Honor.

THE COURT: Thank you.

BY MR. LEWIN:

Q. Page 17 of the transcript, Mr. Weingarten asked you, "Did you or did you not, to the best of your recollection, know that the January transaction in 1979 had something to do with silver?"

And you said, "I believe it did. It rings a bell with me, yes."

THE COURT: Your answer is yes, sir?

THE WITNESS: That is substantially correct.

BY MR. LEWIN:

Q. It did ring a bell that there had been some conversation about silver with someone at that time?

A. Apparently, yes.

Q. All right. Let's now then talk about the other matter that you covered with Mr. Weingarten, which is the matter of Congressman Hansen as a customer of the bank. You say he has been a customer of the bank for how long?

A. I don't know how long specifically, but I came with the bank in 1965 and Congressman Hansen was already banking with the bank then.

Q. He had had loans with the bank during the period of time that you have been with it?

A. Correct.

Q. Are you familiar with the bank's loan policies?

A. I am.

Q. What are your responsibilities specifically, with regard to loans?

A. At this time I am in charge of the lending in 21 banks. At that time I was in charge of just four banks in Pocatello.

Q. During all that time you have really been familiar with the bank's loan policies and with the fact that the Congressman has had loans at your bank?

A. Yes.

Q. During the period of time that you have been responsible for that, have you also known, just from what you have heard as a resident in Idaho, that the Congressman has been in difficult personal financial circumstances during that period of time?

A. I was aware of that.

Q. You were aware of that?

A. Yes.

Q. That has been widely reported, has it not, in the press in Idaho?

A. It has.

Q. For about how long, would you say, Mr. Garvin?

A. I would have to say eight to ten years.

Q. Certainly eight to ten years.

Specifically, directing your attention back to about February of 1977, there is no reason you should know that date, but if I told you that it was around then that Congressman Hansen applied to the Federal Election Commission, would that ring a bell in your mind as to whether there was any general notice in Idaho about his financial problems?

A. That would probably precipitate some press, yes.

Q. It did in fact precipitate substantial press, did it not?

A. I don't know the definition of "substantial". But generally it would, yes, of a substantive nature.

Q. But in terms of what you recall, do you recall having read in the Idaho press at the time about his application to the Federal Election Commission?

A. I am sure I did.

Q. You recall with regard to that that --

MR. WEINGARTEN: Excuse me.

THE COURT: Counsel, would you approach the bench, please.

Would you step down, Mr. Garvin.

(Bench conference).

MR. WEINGARTEN: I respectfully request a proffer at this point.

THE COURT: Is this going to tie in somehow with the loans?

MR. LEWIN: It is going to tie in.

THE COURT: Otherwise I am failing to see the relevance.

MR. LEWIN: It is going to tie in with the fact that the bank officer, as everybody else in Idaho knew, that Congressman Hansen had these financial difficulties.

THE COURT: He may not have known specifically.

MR. LEWIN: But loans were granted with the knowledge of these problems so it wasn't based on the loan documents.

THE COURT: Can we zero in on that question?

MR. LEWIN: Yes.

THE COURT: Clearly he has made the response that, yes, he had a general impression of eight to ten years that the gentleman has had some difficulty. So, now, if you don't mind so we can move along, we have a short afternoon.

MR. LEWIN: I will get to that.

MR. WEINGARTEN: With respect to any questions that what Mr. Garvin knew from the newspaper I think that is irrelevant. What Mr. Garvin knew as a banker is relevant but what he knew about what the Congressman was doing in Washington, D.C., as a result of reading the Pocatello press, I suggest is totally irrelevant.

THE COURT: Certainly it is not specific and may or may not be accurate. So I agree that if Mr. Lewin wishes to prove his point he is going to have to bring it into the loans and the activity of the bank vis-a-vis any knowledge of difficulty, specific knowledge of difficulty. So all that I am saying is let's get to the point.

(End of bench conference).

BY MR. LEWIN:

Q. I asked you, I believe, before we approached the bench, whether you knew, in February, 1977, and thereafter, that Congressman Hansen had these difficult personal financial circumstances?

THE COURT: We have had that answered in general.

THE WITNESS: Yes.

MR. LEWIN: Right.

BY MR. LEWIN:

Q. When you knew that, that was knowledge even though you didn't acquire it from records at the bank, that was knowledge that you could use in terms of deciding how to deal with Congressman Hansen as a customer of the bank, is that true?

A. It was.

Q. It was knowledge which bankers generally in Idaho had available to them?

A. It was.

Q. Was it knowledge that the bankers could consider or that you did consider in determining whether to continue or grant loans to Congressman Hansen?

A. It is a factor that was considered.

Q. So that it is fair to say that in approving or continuing a loan to Congressman Hansen, you didn't rely exclusively on what may appear on a loan application?

A. We rely on character and past credit, factors other than what is written on a financial statement.

Q. And on what you know from what is reported in the press?

A. Yes.

Q. And in fact, you personally are politically aware, are you not, Mr. Garvin?

A. Reasonably.

Q. Are you active politically?

A. Not active.

Q. But have you participated in any way in political campaigns in Idaho?

A. Yes, I have.

Q. In fact, you have endorsed the Congressman's opponents, haven't you, at various times?

A. I don't recall that I have.

Q. You haven't? All right. Is there another Richard Garvin in Pocatello?

A. Yes, there is.

Q. There is a Richard Garvin who has endorsed the Congressman's opponents?

A. I don't know if he has or not.

THE COURT: We will concentrate on you as the Richard Garvin.

THE WITNESS: I am sorry.

THE COURT: We will concentrate on you, Mr. Garvin, as the Richard Garvin.

THE WITNESS: All right.

BY MR. LEWIN:

Q. Now, I believe you testified, Mr. Garvin, that you had heard of the property settlement agreement.

A. Yes, I have heard of it, yes.

Q. How did you hear of it?

A. I suspect again in the newspaper, or television.

Q. The property settlement agreement was very substantial -- you are correct if you say you don't know what the word "substantial" means -- but it was reported in the press, wasn't it, the existence of the property settlement agreement?

A. The whole subject concerning the division of assets was in the paper, yes.

Q. And the fact that the Congressman had undertaken obligations to pay for things such as cars and a home mortgage, that was in the paper as well, was it not?

A. Yes, it was.

Q. That was information which, even though it didn't appear on the form that is submitted to the bank, you had in your head and could consider in determining how to treat loan applications, is that right?

A. It was general knowledge available to us, yes.

THE COURT: May I see counsel up here for a moment, please.

(Bench conference)

THE COURT: As best as I can understand, the inquiry I am going to put to you is a matter of timing. I understand from my clerk that Mr. McAfee, who is in the witness room, has a call downstairs from his son. I guess you are asking me if he can be released from the witness room.

DEPUTY CLERK: Yes.

THE COURT: I don't know whether he is our next witness but why don't you say, "Yes, go down and make your phone call, whatever it is, please be back in five or ten minutes." I assume that is where we are going with this.

DEPUTY CLERK: Shall I go out there?

THE COURT: Yes. By all means.

(End of bench conference).

BY MR. LEWIN:

Q. Do you, Mr. Garvin, speak with others who are in the banking field in Idaho? I mean, are you familiar with other bankers? Do you speak to them?

A. I think it would be representative, yes.

Q. Would you say it is fair to say that it was generally known among banks in Idaho, both that Congressman Hansen had difficult personal financial circumstances --

MR. WEINGARTEN: Excuse me, Mr. Lewin. I am going to object to that question. It is irrelevant and calling for hearsay.

THE COURT: I will agree that the objection should be sustained. Let's move onto this gentleman's knowledge and why he acted, if he did, in any particular way, based on that knowledge, his own knowledge.

BY MR. LEWIN:

Q. Has there ever been a time, in your dealings with Congressman Hansen, that you thought that anything had been concealed from you with regard to bank applications?

A. No.

THE COURT: Redirect, if any.

MR. WEINGARTEN: Very briefly, Your Honor.

REDIRECT EXAMINATION.

BY MR. WEINGARTEN:

Q. Now, there was some questions with regard to your financial statements when you make loans. Do you rely on them?

A. We use them as a basic tool, yes.

Q. In a deed of trust, for example, if collateral is put up and the collateral is a house, is it of some importance who has title to that house and who owns it in terms of who the loan is being made?

A. It is critical.

Q. Was there any indication in your bank, sir, during the time that you have worked there and the time that George Hansen was a customer, that Connie and George Hansen had actually in fact split up their property?

A. It was not a part of our bank records, any evidence of that.

Q. You have testified on cross-examination that you had heard in the press that there was property separation between them.

Do you recall in the grand jury there was a question on page 21, the question reads as follows: "Are you familiar with any sort of financial splitting of property that the Hansens went through, I believe just prior to 1979 or possibly a year earlier?

"Answer: I don't know of any."

A. That is correct. The question was presented to me, it was interpreted was I aware of it in general, and the answer was yes.

Q. But in your specific knowledge, as a banker, you had no direct knowledge of it, is that a fair statement?

A. Prior to this event in 1979, I did not.

MR. WEINGARTEN: Thank you, sir.

THE COURT: Anything further, Mr. Lewin?

MR. LEWIN: No further questions.

THE COURT: Mr. Garvin, you are excused. I just ask that you not discuss your testimony with any other possible witness in this case until the matter is concluded. Good day.

THE WITNESS: All right.

THE COURT: To the counsel, thank you for your copy of the testimony, which is now returned to you. The particular witness was not there when my clerk went out so he probably went to answer the phone.

Whereupon,

George Jones

was called as a witness by counsel for the Government and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. Your name, sir?

A. George Jones.

Q. Where do you live, sir?

A. Glenns Ferry, Idaho.

Q. Some of the folks here may not be familiar where that is. Could you tell us where Glenns Ferry is in relation to Pocatello and Boise?

A. It is approximately 235 miles from Pocatello, and we live approximately 65 miles out of Boise.

Q. How are you employed, sir?

A. I am vice president and cashier of the Idaho State Bank.

Q. Where is the Idaho State Bank?

A. The headquarters are located in Glenns Ferry, Idaho.

Q. Pursuant to a subpoena did you bring certain records to Washington, D.C., for this trial?

A. Yes, I did.

Q. Were they bank records?

A. Yes, they were.

Q. And bank records in whose name?

A. George and Connie Hansen.

Q. To your knowledge, do they have an account at your bank?

A. They do.

Q. What kind of an account would that be?

A. They have a joint checking account.

Q. For purposes of identification only, sir, I hand you what will be marked as Government's Exhibit 40C.

DEPUTY CLERK: Government's Exhibit 40C marked for identification.

(Whereupon, Government's Exhibit No. 40C was marked for identification).

(Bench conference)

THE COURT: What is this 40C?

MR. LEWIN: Let me state for the record, I have not seen 40C until two minutes ago. Mr. Weingarten tells me he is not planning to introduce 40C but just wants the witness to refer to it, but I still think I should have been given the pleasure and the opportunity to examine it sometime prior to in court.

MR. WEINGARTEN: I thought I had given them everything that this witness gave me. I gave them a big envelope of stuff.

THE COURT: But apparently not this.

MR. WEINGARTEN: I believe him if he says he didn't get it.

MR. LEWIN: What we do have, apparently, I had not realized or else I would have raised this before the jury came in, is that Mr. Weingarten is again planning to do with this witness what he did with the other witness, which is to introduce a whole series of checks following the date of January, what is it, 22, 1979?

MR. WEINGARTEN: Maybe I can simplify the proffer this way. The last witness introduced four checks written by Congressman Hansen. I intend to prove that those checks went into this account and I want to introduce a series of checks from this account immediately following the deposit of the cashiers collection.

MR. LEWIN: As we have indicated heretofore and as we indicate again, we were prepared to stipulate in order to avoid having to hear relevant questions and inflammatory matters raised in this record that the congressman used this fund and wrote out checks. Now we are going to get a series of a dozen or how many checks are there?

THE COURT: What is the extent of the stipulation you wanted to give? I couldn't get it clear the last time. I asked you a few questions.

MR. WEINGARTEN: There are some checks in there of Mrs. Hansen.

THE COURT: Let me hear the extent of your stipulation.

MR. LEWIN: The extent of my stipulation previously was that the --

THE COURT: Excuse me.

Now, we will hear it now.

MR. LEWIN: That the cashiers checks that were written out were deposited in an account from which Congressman Hansen wrote checks, wrote the bulk of checks or wrote whatever words Mr. Weingarten wants to use in that regard. I was prepared to stipulate, and I think I did state on the record the last time, that he wrote all the checks. I again am prepared to stipulate substantially, and I will look at the underlying checks, because I hadn't realized that was going to be in issue, but I would be prepared to stipulate to that with regard to these checks at all.

THE COURT: Will you accept that?

MR. WEINGARTEN: It is imprecise.

THE COURT: Can you make it more precise?

MR. LEWIN: I am prepared to stipulate it was in excess of the amount of the amount that was deposited with all the cashiers checks.

MR. WEINGARTEN: Then what is the objection of putting on the evidence of this witness?

MR. LEWIN: The objection is, and Mr. Weingarten knows very well what the objection is because we have discussed it before court, but the objection is that it is purely inflammatory and prejudicial because there are large checks in the amount of 9,000 and some odd dollars which, I suppose, it can be implied to the jury that there was some impropriety with regard to those checks.

THE COURT: Where does the Congressman live in Idaho?

MR. LEWIN: He was not in Idaho during that period.

THE COURT: Does he have a home somewhere in Idaho, in Pocatello?

MR. LEWIN: In Pocatello.

THE COURT: That is fine.

MR. WEINGARTEN: First of all, there is no impropriety in writing a check for $9,000. I don't think there is anything inherently prejudicial about it and I think the jury should be permitted to see with their own eyes and feel with their own hands the checks we used from the $87,000 profit.

THE COURT: Are you saying then that you cannot accept the stipulation?

MR. WEINGARTEN: If the stipulation includes the checks and the specific amount, I mean Connie Hansen wrote some of those checks and we intend to produce those. I want the jury to have the idea. A naked stipulation is something we can't accept.

THE COURT: What is the relationship of what they used the money for to the focus of this case?

MR. WEINGARTEN: The fact --

THE COURT: I mean I want you to put it on the record, Mr. Weingarten. I understand.

MR. LEWIN: I don't understand.

THE COURT: I think I did. I think I divine where he is going but I may be wrong.

MR. WEINGARTEN: The fact that Congressman Hansen used this $87,000 silver profit obliges him to report that silver profit on his financial disclosure statement.

MR. LEWIN: We are prepared to stipulate that he used it. The question is whether it is important to stipulate it or to have checks that indicate these amounts which are in excess of $87,000 and are specific checks made out -- I don't know exactly how they are made out but made out in various ways. If I am prepared to stipulate as I have all along, that the money was used by Congressman Hansen, that covers entirely what Mr. Weingarten said was relevant.

MR. WEINGARTEN: And the manner, the way he used the checks, obviously goes to intent and if he wrote checks himself and checks went out, he knew about it.

THE COURT: If I understand Mr. Lewin correctly, he is now saying that he will say that Mr. Hansen wrote checks drawing on this sum of money and he utilized this sum of money which had been deposited in this bank, by Mr. Hansen?

MR. LEWIN: It was deposited pursuant to the cashiers checks, which were written out when Congressman Hansen wrote the checks to the other bank.

THE COURT: How would the cashiers checks be endorsed? Is all this going to be a part of the stipulation? If it is perhaps we don't need the checks.

MR. LEWIN: The checks are made out to the Honorable George V. Hansen.

THE COURT: The checks were made out to him?

MR. LEWIN: Yes, they were deposited in the account.

THE COURT: They were deposited by Mr. Hansen in the account and from those sums of money Mr. Hansen wrote other checks for various sums of money for his own use? That is what you want to say in the stipulation?

MR. WEINGARTEN: Can we excuse the jury and see if we cannot hammer it out and read it now?

THE COURT: Sure. Ladies and gentlemen of the jury, let us excuse you for five minutes while counsel will save us something we think will take, otherwise, an hour. Don't discuss anything, please, about the case.

(End of bench conference).

THE COURT: We are going to leave you to your work for five minutes. We will be back.

(Recess)

THE COURT: Gentlemen, are we ready?

MR. WEINGARTEN: Counsel wants to show it to the defendant.

MR. LEWIN: I think we have reached agreement on two points that will save a substantial amount of time, Your Honor.

MR. WEINGARTEN: Why don't we all sign it and then we will have it typed up.

THE COURT: You don't have to have it typed up, if you sign it. Just put it in.

MR. WEINGARTEN: I wasn't planning on having it typed this minute.

THE COURT: If you want.

Are you ready for the jury?

MR. WEINGARTEN: Yes.

THE COURT: Sir, please come back to the witness chair in the meantime.

MR. LEWIN: Just to make the record clear, we have agreed on two items. One is that the stipulation we have worked on will obviate any needs for the records which we had any disagreement and it also obviates any need for the record to contain some of the material that was submitted through the prior witness, specifically that bank statement that we had objected to for the one month and those checks, so they would be withdrawn.

THE COURT: Very good.

MR. LEWIN: Also, our agreement on a document that Mr. Weingarten has before him will obviate the need for disagreement over various other documents.

MR. WEINGARTEN: It was worthwhile.

THE COURT: I thank you both for saying it was worthwhile. Sometimes 20 minutes or so, rather than two hours is far more effective. We get also other things accomplished. Let's have the jury.

(Jury present at 2:25)

THE COURT: Ladies and gentlemen, we are going to take that as our mid-afternoon recess, and we also do want to say that although it took us a little longer than five minutes, we believe that in the long run, we will have saved substantially more time than I had indicated to you earlier. So every bit helps.

Now do you wish to tell the jury about the stipulation, Mr. Weingarten?

MR. WEINGARTEN: Yes. I believe it is stipulation No. 8. I request permission to publish it to the jury.

THE COURT: Of course.

MR. WEINGARTEN: It is hereby agreed and stipulated by the parties that the entire $87,475 silver profit deposited into the First Security Bank was used by George V. Hansen through checks written by George V. Hansen with knowledge that it was the profit from the 1979 silver commodities transaction, signed by the parties.

THE COURT: You may consider that, ladies and gentlemen, as undisputed evidence in the case.

BY MR. WEINGARTEN:

Q. Mr. Jones, did you also bring, in addition to checks, a loan file?

A. I did.

MR. WEINGARTEN: I would ask that it be marked for identification purposes only as Government Exhibit 40C, and ask you, sir, if you can identify this loan file.

Sir, is that a loan document from your bank?

A. Yes, it is.

Q. In whose name is that loan?

A. George V. Hansen.

Q. Sir, I hand you what has been marked as Government's Exhibit 40BD and ask you, sir, if that is a copy of a piece of paper found in Government 40C, and I direct you to the first page of the right hand side.

A. It is.

Q. Is 40D a part of the loan file of George V. Hansen?

A. It is.

MR. WEINGARTEN: We move into evidence at this time 40D, Your Honor, not 40C.

MR. LEWIN: No objection.

THE COURT: It is in evidence, 40D.

(Whereupon, Government's Exhibit
No. 40D was received into evidence).

BY MR. WEINGARTEN:

Q. What is 40D?

A. It is a writeup on a loan -- of a renewal of a loan in the amount of $15,000, dated August 27th, 1981, on George V. Hansen.

Q. What type of information is contained on that document?

A. The date, the maturity, the rate, the total amount of the loan, and a writeup as to what the loan is for, where the loan is to be repaid from.

Q. Is that writeup found on the bottom of 40D?

A. It is. It is under Item 5 called "comments".

Q. What does it say there, sir?

A. "George has his book printed now and hopes to sell enough to pay this off. He paid back $5,000 of the original note and interest to date".

Q. When it says, "pay this off," what is it referring to?

A. To the $15,000 renewal note made on this date.

Q. The note was made to whom, sir?

A. George V. Hansen.

MR. WEINGARTEN: Thank you. No further questions.

THE COURT: Any cross-examination of Mr. Jones?

MR. LEWIN: We have no questions.

THE COURT: Thank you for your testimony, Mr. Jones. We ask only that you not discuss it with any other possible witness in this case until the matter is concluded. Have a good day.

THE WITNESS: Thank you.

THE COURT: The government's next witness, please.

MR. WEINGARTEN: At this time we would like to complete our second chart.

I would request permission to place an entry on the chart, Your Honor.

THE COURT: All right. Counsel has seen it? Yes, but the Court hasn't seen it. That is all right.

MR. WEINGARTEN: I would like to publish it to the jury, "George Hansen directs Caldwell to write $125,000 on Connie Hansen and C. Lee Caldwell special account at Idaho Bank and Trust".

MR. LEWIN: Again, Your Honor, the government's chart, it may be the government's theory.

THE COURT: Could you turn it this way so I could have a look at it also?

MR. WEINGARTEN: Surely. Apparently there is some issue between Garvin and Caldwell.

THE COURT: All right.

MR. WEINGARTEN: I request permission to publish it.

THE COURT: You may.

MR. WEINGARTEN: "George Hansen directs Caldwell to wire $125,000 to Cargill as margin payment for 125 silver contracts."

THE COURT: You may.

MR. WEINGARTEN: All right. "Cargill acquires $212,475 ($125,000 margin payment plus $87,475 profit) to George and Connie Hansen's account at First Security Bank," January 19th.

THE COURT: You may publish it.

MR. WEINGARTEN: January 22nd, "$125,000 withdrawn from George and Connie Hansen's First Security Bank account and deposited into special account Idaho Bank and Trust."

I believe this is Government's Exhibit No. 8B. We move 8B into evidence at this time.

THE COURT: With the continuing objection?

MR. LEWIN: Yes, Your Honor.

THE COURT: It is in evidence, over objection.

(Whereupon, Government's Exhibit No. 8B was received into evidence).

MR. WEINGARTEN: There is another stipulation that I would like to publish at this time that we have reached.

THE COURT: You may.

MR. WEINGARTEN: Stipulation No. 9.

THE COURT: Is it No. 9?

DEPUTY CLERK: Yes, it is.

THE COURT: All right.

MR. WEINGARTEN: "It is hereby stipulated and agreed between the United States and the defendant, George V. Hansen, that the person who wrote the blackmail letter to Nelson Bunker

Hunt was Arthur Emens, III, an employee of Ming Commodity Services in Oklahoma City, Oklahoma, from October, 1979, until May 1981. Prior to his employment with Ming Commodity Service, Mr. Emens was employed by Cargill Investor Services on the floor of the Commodities Exchange in New York City. Mr. Emens pleaded guilty of blackmail on May 27th, 1982. Respectfully submitted, the parties."

THE COURT: You may consider that, ladies and gentlemen, as undisputed evidence.

MR. WEINGARTEN: The government would call Mr. McAfee.

Whereupon,

CARL MCAFEE

was called as a witness by counsel for the Government and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q. Your name, sir?

A. Carl McAfee.

Q. Spell your last name, please?

A. M-C-A-F-E-E.

Q. Where do you live?

A. Norton, Virginia.

Q. For those of us who may be unfamiliar with the geography, where is Norton in relation to a big city? How about a medium-sized city?

THE COURT: How about a small city?

THE WITNESS: It is a far piece from here.

THE COURT: About how far?

THE WITNESS: I think it is approximately 350 miles. It is a point that is the southwestern-most point in Virginia. It is close to the Tennessee-Kentucky intersect line.

Q. Where is it vis-a-vis Roanoke?

A. 200 miles.

Q. Southwest?

A. West, still west.

Q. How close are you to the mountains, the Shenandoah and Appalachians?

A. I am in the Appalachians.

Q. How are you employed, sir?

A. I am an attorney.

Q. How long have you been an attorney?

A. Since 1954, I believe.

Q. Just generally, what kind of law do you practice?

A. Country law.

Q. Do you know the defendant George Hansen?

A. Yes, I do.

Q. How do you know him, sir?

A. I became acquainted with Congressman in either late 1979 or early 1980, January of 1980.

THE COURT: Can all of our jurors hear Mr. McAfee? Anyone having any trouble? Yes, I thought so.

If you wouldn't mind, sir, just keeping reasonably close but not on top of that microphone?

THE WITNESS: I will try to do better.

BY MR. WEINGARTEN:

Q. What were the circumstances of your meeting?

A. Well, he and I had a problem of mutual interest, which was the Iranian crisis with the hostages, and I worked with him as a result of that.

Q. What was your interest in the Iranian hostage crisis?

A. I represented a family from Minneapolis, I beg your pardon, Milwaukee.

Q. That family had a member who was held hostage?

A. Had a son in there.

Q. Congressman Hansen was interested in helping to secure the release of the hostages as well?

A. Yes, very much so.

Q. Did you become friends with Congressman Hansen?

A. Yes, I did.

Q. Have you contributed to any of his campaigns?

A. Yes, I have.

Q. How many?

A. I guess if he has run, about twice I would say.

Q. Do you remember the amount of the contribution?

A. Specifically, maybe $500 or $1,000. I really can't honestly say.

Q. Do you know a man named John Meade?

A. Yes, I do.

Q. Who is he?

A. He was a former bank president. I think he is in the cattle business now.

Q. Where would the bank be that he was formally the president of?

A. Where his bank would be?

Q. Yes.

A. Well, as a crow flies probably 30 or 40 miles from where I live.

Q. In southwestern Virginia?

A. Yes.

Q. Was he also a client of yours at one time?

A. Yes. I think he still is.

Q. Has he been convicted of any crime while you represented him?

A. Yes.

Q. What crime would that be?

A. I really don't know what the final plea was on it, to be honest with you. I don't remember what we really plead to.

Q. Was it related to some bank fraud charges?

A. I don't know whether it was related to bank fraud charges. It was related to acquisition of stock in other banks is all, if I remember correctly.

Q. Is it fair to say he plead guilty to certain charges in U.S. court in Virginia?

A. Yes, he did.

Q. In 1982?

A. Yes, he did.

Q. Do you recall when the investigation into Mr. Meade's activities first surfaced?

A. I don't know when the investigation occurred. I don't remember the date. I know he confided in me about it.

Q. Obviously we are not interested in learning about those confidences. Do you recall when he plead guilty?

A. No, I don't.

Q. Who is Odell Rogers?

A. He is another friend of mine.

Q. Where does he live?

A. He has a residence in Kentucky and he has one in North Carolina and he has one in Virginia.

Q. How is he a friend of yours?

A. Pardon?

Q. How do you relate to him?

A. We are business partners. I represented him in a domestic matter also.

Q. What is his primary business, if you know?

A. He is a coal operator.

Q. Mr. McAfee, did there come a time when you lent some money to George Hansen?

A. Yes.

Q. What were the circumstances? How did that arise?

A. He said he needed some money and I let him have it.

Q. Do you remember when?

A. No, not the first time.

Q. Do you remember the circumstances of him asking you?

A. Yes.

Q. Would you tell the ladies and gentlemen of the jury, please?

A. He said he needed some money, and he was promoting a book, and I let him have it.

Q. How much was it that you lent him?

A. $25,000.

Q. Did he ask for more?

A. He needed some more, yes.

Q. When he asked you for money the first time, did he ask you for a specific amount?

A. I think that he did.

Q. How was the figure $25,000 arrived at?

A. I think I said, "Well, I will let you have 25".

Q. That was satisfactory to him?

A. I am sure it was.

Q. In fact, did you lend him $25,000?

A. Yes. The check was written for $25,000. You have a check but I don't know exactly what date it was.

Q. Why don't I show it to you?

I show you what has been marked as Government Exhibit 42 and ask if you can identify that?

A. It is a check drawn on an account of mine called McAfee Enterprises. As I am sure you are aware, I can't make a positive statement that this is my signature but it is mine or my secretary's.

Q. Let's start just from the beginning of Government 42. Let me first move Government Exhibit 42 into evidence.

MR. LEWIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 42 was received into evidence).

BY MR. WEINGARTEN:

Q. What is its date on the front of that check, sir?

A. You mean the whole thing?

Q. What account is it drawn upon?

A. It is made payable from an account called McAfee Enterprises, 1022 Park Avenue, Norton, Virginia, dated July 20, 1981.

Q. Let's stop there. Is that McAfee Enterprises, is that related to you?

A. Yes.

Q. That is one of your accounts?

A. I am sorry. I did not hear you.

Q. That one of your accounts?

A. Yes.

Q. The check is made out to whom?

A. George Hansen.

Q. In what amount?

A. $25,000.

Q. A signature appears on the bottom?

A. Carl E. McAfee.

Q. There is some question in your mind as to whether you actually wrote that or not?

A. Yes.

Q. As you sit there today, what is your feeling?

A. My feeling is my secretary signed that.

Q. Was she authorized to do so?

A. Yes.

Q. Who authorized her to do so?

A. I did. She signs all my checks.

Q. So there is nothing unusual about her signing that check, is that a fair statement?

A. I hope not.

Q. What is your secretary's name?

A. Yvonne Jones.

Q. Turn the check around, if you would. Do you see a date when it was deposited, Mr. McAfee?

A. Maybe you better enlighten me. There are a bunch of stamps on the back there.

Q. Are you having trouble finding that date? Do you see a statement with Riggs National Bank payee on the bank?

A. Yes. It looks like it has J. Y. 81 23, if that is what you are talking about.

Q. In your experience would that mean July, 1981?

A. You are not asking about my experience on this, because I really don't know.

Q. In return for your check that you gave to George Hansen, did you receive a note?

A. Yes, I did.

Q. I show you Government's Exhibit 41 and ask if you can identify it, sir?

A. Can I identify this?

Q. Yes.

A. It appears to be a copy of a note in the amount of $25,000.

Q. What are the terms of that note?

A. To be paid on demand by July 17, 1982.

Q. The note is made out to whom, sir?

A. Odell Rogers and Carl McAfee.

Q. It is signed by whom?

A. I assume George Hansen. I mean I really --

Q. Do you see a signature on the bottom?

A. Yes, I see a signature on there. The last name appears to be Hansen. I assume that -- it appears to be George, the first name. It appears to be George, the signature does. There is a notation in the left that says "George V. Hansen".

Q. It is dated when, sir?

A. July 17, 1981.

Q. Is that the note that you received from George V. Hansen or a copy thereof?

A. I mean, I can't say one way or the other really. I assume that it would be a copy of it. I really don't even remember receiving the note, but I think it ended up in the bank so I don't know whether it was mailed to the bank, or whether it was mailed to me or whether it was mailed to Odell.

Q. Is there anything inconsistent about the terms of the note, Government Exhibit 41, with the note that you received from George V. Hansen?

A. No. I think when I talked to George, I don't even think we even discussed terms. But there is not anything inconsistent with it, no.

Q. Did you receive any paper from Congressman Hansen in return for your $25,000?

A. It ended up in the bank. Whether it was mailed to me directly or mailed to the bank, I can't honestly say.

Q. Your name is on that?

A. Yes.

Q. So is Odell Rogers?

A. Yes.

Q. Was Odell Rogers part of the loan made to George Hansen?

A. He and I were business partners, and I assume it was part of his.

Q. Do you know?

A. To say that Odell and I sat down and discussed it, I can't honestly say that either.

Q. Did you lend George Hansen $25,000?

A. I wrote a check to George Hansen for $25,000. Odell Rogers and I got $25,000 from the bank. The check was written to George Hansen. The note came to somebody, but if you are asking me if I remember getting it, no, I don't.

Q. You have never seen anything similar to what is Government's Exhibit 41?

A. Yes, I think I have seen this copy before.

Q. I guess as a lawyer, you know the question. Can you authenticate that document, sir, yes or no?

A. I am sorry?

Q. Can you authenticate that document? Is that a copy of the note that memorializes the loan of $25,000 from you to George Hansen?

A. I assume that it is, but if you are asking me to be positive about it, I can't. I assume that it is. I mean I can't authenticate it because I can't honestly remember ever seeing it. I may have.

Q. All right. We will hold that a minute, Your Honor.

You mentioned some things about a bank. What happened following your writing the check to George Hansen?

A. What happened?

Q. Yes. What happened with the money? Did he just owe you the money or did you do something with the bank that you had mentioned?

A. Well, maybe I could answer your question this way: He wanted $25,000. I got $25,000 from the Miners & Merchants Bank. Odell and I signed the note for $25,000.

THE COURT: Odell and you?

THE WITNESS: Yes, I think. I am not positive about that. Any way, a check was written. Sometime thereafter, this note appeared in the bank there. Now, as to whether I got it and sent it there or whether Odell got it and sent it there, I can't honestly tell you.

BY MR. WEINGARTEN:

Q. Mr. McAfee, I hand you what has been premarked as Government's Exhibits 43 and 44. Why don't you take a look at them and I will ask you in a second, if you can identify those documents.

A. 43? It appears to be a copy of a note that Odell and I executed at the bank, as I mentioned.

Q. What bank would that be, sir?

A. Miners & Merchants Bank in Grundy, Virginia.

Q. Is that the bank that John Meade was president of prior to his conviction?

A. Yes, it was.

Q. What about the next exhibit, 44?

A. It is a cashier's check for $25,000 made payable to me.

Q. When is it dated, can you tell?

A. It is either the 23rd or the 28th. I can't tell from this copy.

Q. Maybe I can show you another copy of it that I think is a little more legible. Without identifying the document, I represent that it is a copy of Government Exhibit 44. Can you see the date on that one?

A. The 28th of July.

Q. Mr. McAfee, not to be repetitive, but just so that everybody understands, who lent money to George Hansen? Did you or did the Grundy Bank?

A. Well, I assume that Odell Rogers and I both did.

Q. You sent the check to George Hansen for $25,000. You received a note in return. Is that correct?

A. Yes, I think that is correct.

Q. You took the note to the Grundy Bank and used that as collateral for a $25,000 loan to you, is that a fair statement?

A. Well, the collateral -- I didn't really need the note as collateral, if that is what you mean.

Q. I thought you testified that tne original note could have been sent to the bank.

A. Yes.

Q. What would the purpose of that have been?

A. Well, at the particular time, there really would be no purpose one way or another. The bank wasn't looking to George Hansen for the money, if I understand what you are asking me.

Q. Is there a connection between the loan you received from the bank for $25,000 a few days later, with the loan you made to George Hansen?

A. He just gave me a note. As to why I sent it to the bank or how it ended up in the bank, I really don't know.

Q. Maybe I am not making myself clear. Let me try it one more time.

Is there a connection between the $25,000 you received from the Grundy Bank and the $25,000 that was sent to George Hansen, or are they totally independent transactions?

A. Well --

Q. Is that question clear?

A. Independent meaning that could I have gotten the money without this collateral?

Q. What is the answer to that?

A. Yes, I could get -- I did not need his note to get the money.

Q. The next question, did you go to the bank to get the $25,000 to cover the loan you had made to George Hansen?

A. No.

Q. So is it fair to say from your testimony that Government's Exhibit 43, the check to you from the bank, is totally unrelated and independent from 42, the check you wrote to George Hansen?

A. No. I got 25,000 bucks from the bank. I put it in my account. I don't know whether I had $25,000 when I wrote this check on the 20th or not. I may or may not have had sufficient funds to have covered this. At some time later, I got $25,000 from the bank and put it in my account. I may have had sufficient funds at the time to have covered this. I don't even remember.

Q. The simple question is, is the $25,000 from the bank the money used to give to George Hansen?

A. I am trying to answer as best I can. I may have had $25,000, do you understand, on the 20th when I wrote this check. I got $25,000 thereafter from the bank and put it in my account.

Q. Was that just a coincidence?

A. No, it wasn't a coincidence. I got $25,000 to be sure, I assume, that I had sufficient funds in there to perform and operate under.

Q. What was Mr. Rogers' role in this loan transaction?

A. Mr. Rogers and I were social friends, business friends, client/attorney relationship. We had various business interests together.

Q. Did he deal with Congressman Hansen in this loan? What was his participation?

A. I don't think he did.

Q. Did you discuss this loan with him?

A. I probably did.

MR. WEINGARTEN: I move into evidence at this time 42 and 43.

THE COURT: No objection?

MR. LEWIN: No objection.

THE COURT: In evidence.

(Whereupon, Government's Exhibit Nos. 42 & 43 were received into evidence).

MR. WEINGARTEN: I might as well try 41. There might not be an objection to that.

THE COURT: 41?

MR. LEWIN: We don't have any objection to 41 either.

THE COURT: 41 is in.

(Whereupon, Government's Exhibit No. 41 was received into evidence).

MR. LEWIN: I told him there was no objection.

BY MR. WEINGARTEN:

Q. When you negotiated your loan in July of 1981 with Miners & Merchants Bank, with whom did you deal personally at the bank?

A. Mr. Meade.

Q. Mr. McAfee, did there come a time when you lent more monies to George Hansen?

A. Yes.

Q. What were the circumstances or what was the circumstance of that?

A. I don't have any specific recall on it. I will just have to rely upon the fact that my secretary said I told her to write a check for $60,000, and if she says I told her to do it, I am sure I did.

Q. Why don't we start with the check.

MR. WEINGARTEN: Before I approach Mr. McAfee, I am told by my colleague I failed to move 44 into evidence, which would be the check from the bank to Mr. McAfee. I so move at this time.

MR. LEWIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 44 was received into evidence).

BY MR. WEINGARTEN:

Q. I hand you Government Exhibit 46, sir, and ask if you can identify it?

A. It is a check on my McAfee Enterprises account.

Q. That would be the same account that issued the other check?

A. Yes.

Q. Again, would you go through the process of dating it, to whom it is made out, the amount and the signature?

A. It is August 14, 1981, George Hansen, $50,000. I am inclined to think my secretary also signed this.

Q. It is dated August 14th?

A. Yes.

Q. Now, the circumstances of the production of this check were what?

A. It is my recall that I was out of the country at that particular time, and I will just have to rely on what others say, that I just told her to write the check and she wrote it.

Q. Where were you?

A. My recall is that I was in Australia.

Q. You have no recollection of directing her to write that check?

A. Other than what she said I told her.

Q. Have you discussed it with her?

A. Yes, I have.

Q. Have the discussions caused you to recall anything?

A. She said I called her on the phone and told her to write a check for $60,000 to George Hansen, and she did it.

Q. Do you have any recollection, as you sit here now, what triggered that direction to her, if in fact that direction was made?

A. No, I really don't.

Q. I am not being facetious here, Mr. McAfee, but do you frequently make $60,000 loans and not remember them?

A. I haven't made any lately.

Q. I mean seriously, you don't remember what that check was for?

A. The only recall I have is that it had to do with the promotion of a book, as did the first one.

Q. Was there a further conversation with Congressman Hansen about more money?

A. I don't remember. Whatever he says, I will abide by. But the only thing I can recall that this entire transaction had to do with the promotion of a book. As I said, I am reasonably sure I was traveling at the time, and my business partner, Odell, had authority to negotiate, borrow and to conduct certain business activities we had. The ultimate transaction, I think, ended up being handled through his office rather than mine, other than the check being written.

Q. Was the first note collateralized? Was it secured with anything?

A. No. You mean with the bank?

Q. No, between you and Mr. Hansen.

A. I am sorry, was it collateralized?

Q. Was there security?

A. No, not that I recall.

Q. It was just a signature loan?

A. I am sure it was, or I think it was any way.

Q. Mr. McAfee, I hand you Government Exhibit 45 and ask if you can identify that, sir?

A. It appears to be a $60,000 note. Again, I can't authenticate the signature. The only thing I can say is that it says "George V." Hansen to the left.

Q. Who else is on that note? What does that note say?

A. $60,000 payable August 14th -- I am sorry, from August 14th, 1981, on demand August 14, 1982. And I am sure that is not my signature on the back side.

Q. I guess we will go through the same process as the other note. Have you ever seen that, sir?

A. I really don't know whether Odell handled this or whether I did, to be very honest with you.

THE COURT: The question is, do you remember seeing that?

THE WITNESS: I think you may have shown me this copy before.

BY MR. WEINGARTEN:

Q. Prior to being asked about it by the government, in your relationship with George Hansen, did you ever see this note?

A. I may have. The only reason I would think that I did not is that that is not my signature on the reverse side of it.

Q. Whose signature would it be?

A. Well, whoever signed my name to it put M-c-a-f-f-e, I believe, and that is not the way I spell my name.

Q. Not to belabor the point, sir, but we have a document there, a check of $60,000, from you to Congressman Hansen. We have a note with your name on it. As you sit here now, and I am sure you have attempted to put these events together, what happened with this note and with this check?

A. I can tell you where it ended up. It ended up in the bank in Grundy, Virginia.

Q. Was it sort of an instant replay of the last loan?

A. Except I don't have any recall of talking specifically about anything except just that it was for a book, that is all.

Q. Maybe showing you some documents might help. Take a look, if you will, Mr. McAfee, at 47, 48, 49 and 50, and see if you can't identify some of those, sir.

A. Well, again, one of them --

THE COURT: Can you tell us which one you are referring to?

BY MR. WEINGARTEN:

Q. Why don't you start with No. 47.

A. I can't make any identification of this, now.

Q. What does it say?

A. It says it is a note dated 8-31-81 for $60,000 to Miners & Merchants Bank and Trust Company, and it has Carl E. McAfee M-c-a-f-f-e-e.

Q. Someone wrote your signature?

A. Yes, they did.

Q. With your authorization or without your authorization?

A. I think Mr. Malcolm Van Dyke, who is an employee of Mr. Odell Rogers, probably handled this transaction for us.

Q. Was it with your authorization?

A. Yes.

Q. What about 48?

A. It says a loan clearing of $60,000 payable to Carl E. McAfee and deposited to Arthur Odell Rogers' account.

Q. How about 49?

A. It appears to be a deposit slip of $60,000 in Odell's account.

Q. What about 50?

A. It is a check from Odell to me for $60,000.

Q. Are all these events that you are describing taking place around the same time, August of 1981?

A. No. The check from Odell to me looks to be either

August 17th or the 19th. I can't tell the date of the deposit. The loan clearing is August 28th, and the note is August 31st.

Q. Are these papers related to each other, Mr. McAfee? I mean, do they tell a story about a loan to George Hansen that you made?

A. Well, I suppose they do.

Q. What is that story, sir? What happened with that $60,000 loan? Virtually every one of those documents have your name on them.

A. What do you mean what happened? To these documents?

Q. Yes. How was this loan transacted?

A. I am trying to tell you. My secretary relates to me that I told her to write George a check for $60,000, and she followed my instructions.

Q. What happened after that?

A. Apparently, I wasn't here, so I can only surmise --

Q. Okay.

A. -- that Odell told Malcolm Van Dyke to go to the bank, get $60,000, give it to me and I will send it over there to Carl.

Q. Why would he have done that?

A. You better ask him.

Q. You have no idea?

A. Well, yes, I am sure that we were covering the $60,000.

Q. Is Odell on the second note, the $60,000 note?

A. No.

Q. He is not?

A. No.

Q. What about the note from Congressman Hansen to you? Isn't he on the first note, Government Exhibit 45?

A. I think he is on both of them. Yes, he is on both of them.

Q. Mr. McAfee, is it fair to say that on two occasions money was lent from you and Odell Rogers George Hansen, one occasion $25,000 and one occasion $60,000. On both occasions you went to John Meade's bank and got like funds and put them in your accounts to cover the loans, is that fair or not?

A. Well, we got sums of money for likes amount. As to whether or not we needed it at the moment, I can't say.

Q. Without suggesting the checks would have bounced?

A. I hope not.

Q. But you got like amounts?

A. That is true.

Q. Right after you made the loans to George Hansen?

A. Within a couple of weeks.

Q. I guess it is the same question. Did you get loans for the like amount because you had lent money to George Hansen? Was that the triggering events?

A. Probably.

Q. Is there another possibility?

A. Well, as I said, I don't recall my cash flow position at the time.

Q. Were you paid back?

A. Yes.

Q. By whom?

A. I don't know the gentleman's name who paid it.

Q. Were you paid back by George Hansen?

A. I am assuming again that it was somebody from his office, appeared at the bank and paid it. Again, you know, I am not in a position to say under what relationship the person was.

Q. Did you have any contact with Congressman Hansen concerning these notes?

A. Have I?

Q. Yes. Did you have any in 1981?

A. Yes, I told you I talked with him.

Q. He wanted to promote a book?

A. That is right.

Q. Through the Atlanta super station, did you once say?

A. I remember something about that, yes.

Q. Did you ever have contact with him about the pay back of those loans?

A. Yes, after the FBI came to see me.

Q. What did you do?

A. Well, they told me that --

Q. That is hearsay, Mr. McAfee. What did you do?

A. Called him up and asked him if there was some problem that he was in or something to that effect.

Q. Were the loans paid back or one loan paid back?

A. They both were paid back.

Q. At the same time?

A. No, I don't think so.

Q. Which was paid first?

A. I think the $25,000.

Q. You think the $25,000. Was it paid timely?

A. I am not sure of that, either.

Q. Was the other note paid timely?

A. I don't think so.

Q. In fact, did you threaten litigation to get your money back?

A. No, I didn't threaten litigation.

THE COURT: I beg your pardon?

THE WITNESS: I did not threaten litigation.

BY MR. WEINGARTEN:

Q. Did anyone, to your knowledge, get the money paid back to you?

A. To me?

Q. Yes.

A. He paid the money or somebody paid the money. I assume it was him.

Q. You have no idea when he paid?

A. No. I am sure the bank records would reflect it. Whatever they say, I will abide by.

Q. As you sit here now, you don't know who paid the money back to you?

A. I don't know the name of the individual because I wasn't paying that much attention to it. I didn't see the draft. I didn't see the check. All I know is the money was paid. You know, that is the end of it.

Q. Did you deal with George Hansen when you were trying to get your money back?

A. Did I deal with him?

Q. Yes. Did you have conversations with him?

A. Yes.

Q. Is it your understanding that the money repaying the notes came from George Hansen?

A. I don't even think I asked him that. I just asked him if he was having a hard time.

THE COURT: Counsel, I would like you to come to the bench for a moment. Will you step down, Mr. McAfee.

(Bench conference)

THE COURT: I believe that there is some civil litigation that was filed in this court, not this judge, this court, involving this matter, and I have asked my clerk to make a check to see if there is a jacket downstairs and to do it as quietly as possible, in light of the testimony I am hearing right now.

We have a responsibility, in the interest of justice, to make certain that the testimony we hear is accurate. I don't know whether we are going to need a five minute recess or so. I don't know the name of the case.

MR. COLE: I could give you the name of the case if you need it. It is Odell Rogers.

THE COURT: Put them on hold because he would need that information to get the official jacket.

MR. LEWIN: I think counsel for both sides knows about it. It is a case that was brought by Mr. Rogers.

THE COURT: It was Mr. Rogers?

MR. COLE: And Mr. McAfee was a party.

MR. LEWIN: No, I don't believe so.

THE COURT: I thought he was. We will find out. We will see what the original jacket says.

MR. LEWIN: We both know about it.

THE COURT: He said no litigation.

MR. LEWIN: He said he did not cause litigation.

THE COURT: He said he did not threaten litigation was the word he used.

MR. LEWIN: That is right.

DEPUTY CLERK: I think I have the number.

THE COURT: Counsel can confirm it since they know about it. 83-1578, is that the number.

MR. COLE: The number doesn't mean too much.

THE COURT: Do you know the name of the case?

MR. COLE: I believe it is Odell Rogers or Arthur Odell Rogers, and Carl McAfee versus George Vernon Hansen or George V. Hansen.

THE COURT: Was it filed last year?

MR. COLE: It was filed last year.

MR. CAMPBELL: June 2nd.

THE COURT: Everybody knows about this. Wonderful. Anyone know the number of the case?

MR. COLE: We could probably get it for you at some point.

MR. CAMPBELL: I have it back at counsel table.

MR. WEINGARTEN: I was stunned by his answer. I would like a five minute recess to get our papers.

MR. LEWIN: Mr. Cole knew about it.

THE COURT: I am finding the response interesting, but I can't say anything until I see the jacket. When he said no litigation or no threat of litigation, I just had to make an inquiry. My memory could be wrong. I had heard about this. I had not seen it.

They say it is Odell Rogers or Arthur Odell Rogers and Carl McAfee versus George Vernon Hansen, June 2, 1983, the best I can give you.

We will take a five minute recess.

We will come back and continue the testimony after that for a relatively brief time. Please do not discuss the matter among yourselves.

Mr. McAfee, you are in the midst of your testimony. I ask that you not discuss it with anyone at this time.

(End of bench conference).

(Recess)

THE COURT: Is the defendant in the courtroom? Where is Mr. Hanser?

MR. COLE: He was just here.

THE COURT: I wonder if Mr. McAfee could be taken to the witness room for a moment, or put in the other room. We will wait for Mr. Hansen to come back. This is part of his trial.

THE COURT: At the Court's request, the Civil Case No. 83-1578 has been brought to the Court. It was a case that had been assigned to Judge Penn of this court. It is captioned "Odell Rogers and Carl McAfee versus George V. Hansen". It is a complaint on a promissory note that was filed June 2, 1983. There was a stipulation of dismissal with prejudice on June 30, 1983.

The counsel in that case signing it were J. Edgar Baily of M Street, N. W., in Washington, D.C., and William S. Hemsley, Jr., of Hemsley & Campbell, attorneys for the defendant. It was indeed two plaintiffs, Odell Rogers and Carl McAfee.

It sets forth the promissory note, $25,000, that has been the subject of discussion for the last few moments in this courtroom, and is a matter that counsel have indicated they know about. Are counsel ready to proceed?

MR. LEWIN: Yes, Your Honor.

MR. WEINGARTEN: Your Honor --

THE COURT: Does counsel wish to talk to the Court at the bench?

MR. WEINGARTEN: Yes.

(Bench conference)

THE COURT: You are from Hemsley & Campbell?

MR. CAMPBELL: Yes.

MR. WEINGARTEN: I think we have some tough decisions regarding Mr. McAfee. I think this is a very serious matter. I note the time. It is 3:25. I note that because of a prior commitment that the Court has made to parties, we will adjourn at 4:00 today.

THE COURT: We will honor that commitment.

MR. WEINGARTEN: There is no way on God's earth we are going to finish Mr. McAfee today. I wouldn't mind having an opportunity to sit down at this time to discuss what we want to do with this and perhaps recess for the day. I will never make this request again to recess early, but I think this is extraordinary.

THE COURT: I think what I heard was extraordinary enough to lead me to talk to you up here at the bench. I don't want any traversal of justice to occur, if I can avoid it, in the courtroom.

The witness was very much at the door there. As a consequence, he may be advised to have counsel also. It is possibly appropriate under the circumstances --

MR. WEINGARTEN: That is what occurred to me.

THE COURT: Me, too. That is why I wanted to look at this first to assure myself that Mr. McAfee was also included, since counsel for the defendant thought it might be one of the plaintiffs, Mr. Rogers and not Mr. McAfee.

MR. LEWIN: I originally said that, Your Honor. I was not involved with the litigation.

Let me represent to the Court what I understand, and I am perfectly willing, and indeed it is frankly easier for me if we do recess now, just in terms of being able to make it home before sundown. I want to represent to the Court, because I don't want to leave over the weekend with an enormous mystery and what may be an unnecessary cloud, my understanding is, and I represent this to the Court, that the lawsuit was filed, that Congressman Hansen in fact was surprised that the lawsuit was filed, that he then had somebody inquire of Mr. McAfee why he had filed the lawsuit and Mr. McAfee advised him that he, Mr.

McAfee, had not authorized any counsel to file the lawsuit for him, that the lawsuit had been filed by Mr. Rogers, who had by then had a difference with Mr. McAfee in terms of business arrangements, and that consequently Mr. McAfee had not threatened the suit and was not really a party to it.

Indeed, I will tell the Court that I have a letter pre-dating the date of the filing of this lawsuit, which in some way supports that proposition, because it is a friendly note from Mr. McAfee to Congressman Hansen saying to him, "Look, this thing ought to be taken care of because the bank is threatening us with a lawsuit." So that when Mr. McAfee said on the witness stand, "I did not threaten a lawsuit," frankly, although I have a copy of that complaint, Mr. Campbell, who was counsel for Mr. Hansen in that case, had a copy of the complaint, and was involved in negotiating a settlement of it, although I have a copy, I did not think that Mr. McAfee had said anything that was perjurious.

If I had thought he had threatened the lawsuit and indeed that was perjury, I think I would have taken appropriate steps. My knowledge is that he did not threaten a lawsuit and his representations are that he did not authorize the filing of this suit. There is no document in there, signed by him, that indicates that he did authorize it. I don't know.

You know, it is not my job to defend Mr. McAfee, but I don't think it would be appropriate to have a weekend recess and just leave this whole matter with an enormous cloud.

THE COURT: If we could stay longer today, I would stay today and get this matter over with. I certainly respect my original commitment to you, which I absolutely will honor, Mr. Lewin.

MR. LEWIN: Yes.

THE COURT: I too wouldn't like it to go over the weekend. I don't think we have much choice. We have alerted the jurors to 4:00.

This witness is an attorney himself, and he is hostile as it is, it raises some concern. I notice Mr. Hemsley and Mr. Campbell, who signed this, are from the same law firm. Generally, in my belief, attorneys act as agents for their clients. It would be a rather incredible act of an attorney to put his neck on the block, but I guess it can happen.

MR. LEWIN: No, Mr. Hemsley was not --

THE COURT: Mr. Hemsley didn't sign the complaint.

MR. LEWIN: He is representing the defendant. Mr. Hemsley is representing the defendant. Mr. Baily or somebody else was allegedly representing --

THE COURT: I know that. But there is a stipulation of dismissal, and one of the participants in the lawsuit was Mr. McAfee, who has indirectly, indirectly, in effect, said that he didn't file. He wasn't asked, "Did you file a lawsuit?" But he said he didn't threaten litigation. Maybe he didn't threaten; he just acted upon it. But there is litigation. We know that.

MR. LEWIN: Your Honor should not have any misunderstanding. Mr. Campbell and Mr. Hemsley represented the defendant, who was Congressman Hansen.

THE COURT: I know that. I am saying that the entire picture was known and there had been a civil suit and the civil suit had been dismissed with prejudice. It had been acknowledged that there was the debt.

Let me see what the terms say, "Acknowledge the complete payment or satisfaction to the holder of the 25,000 promissory note dated July 28th, 1981, and bearing the signatures of the Carl E. McAfee and Odell Rogers; and agree that defendant waives and relinquishes any and all rights he may have against plaintiffs as a transferee of the note," and so forth, and, "each party bears his own costs and attorney's fees. It is binding on everyone, and they waive and relinquish all rights to sue upon these notes."

Notes are in plural for some reason here. In some part notes are in plural and in some part it is note in singular.

MR. WEINGARTEN: I accept completely Mr. Lewin's representation as to what he believes. Our knowledge about Mr. McAfee's knowledge and participation in the suit is different. That is why I think we need to --

THE COURT: I want to advise him that he had best consult counsel over the weekend, that he is going to be due back here as our first witness at 10:00 on Monday and other than, of course, counsel, he is not to discuss the matter with anyone else. I think we all understand that.

MR. LEWIN: Can he be told, Your Honor, why it is that Your Honor is advising him with regard to the matter of whether he threatened a lawsuit. The problem really is --

THE COURT: I am going to tell him that I am very much concerned about a civil action that was filed in this court. He should know about that. But I am not going to go into any detail beyond that.

I will call him in, but leave the jury out for a moment.

(End of bench conference)

THE COURT: Mr. McAfee, will you come back here on the stand, please, sir. Mr. McAfee, I had advised counsel that it had come to my attention that there had been some civil litigation that had been filed in this court, and I wanted to have an opportunity to look at it, since I had sent for it, before I talked any further to you and indeed before I allowed you to continue in your testimony any further without having the benefit of counsel yourself.

I am referring, Mr. McAfee, to the civil litigation that was filed in this United States District Court for the

District of Columbia and assigned to the Honorable John Garrett Penn. It is Civil Action No. 83-1578, and the matter was filed on June 2, 1983.

The plaintiffs are listed as Odell Rogers and Carl McAfee versus George V. Hansen. It is a complaint on a promissory note.

Following your testimony, in which you said that you had not threatened litigation, I called for this jacket.

I am going to recess, and counsel have agreed, that we recess this matter over the weekend so we can all think about this matter and also in order to give you the opportunity to secure counsel, if you wish to have counsel by your side when we recommence the proceedings at 10:00 on Monday morning, with a continuation of your testimony as to other matters that each counsel might wish to direct to your attention, as well as further elaboration of the litigation that had been filed in this court and that had been dismissed with prejudice by a stipulation on June 30, 1983, with J. Edgar Baily, of Gardner, Moss & Brown of Washington, D.C., as the attorney for the plaintiffs; and with the counsel representing the defendant George V. Hansen, William S. Hemsley, Jr., of Hemsley & Campbell in Washington, D. C..

THE WITNESS: Your Honor, I --

THE COURT: I think it would be better, for your sake, Mr. McAfee -- I certainly would like to hear what you have to say, but I do indeed believe it is better, you are an attorney yourself, but nonetheless, I would strongly recommend, for your protection, that you discuss this matter with a counsel of your own choosing. We could not complete your testimony in any event today. We would have to come back on Monday. What you do in the interim is clearly your privilege. We will see you back here on Monday at 10:00 for a continuation of the testimony.

I do direct, however, that the matter not be discussed with anyone, save an attorney of your choice in this regard, but with no possible witness in this case, or any other person, the testimony and the developments that have occurred here at this time. Do you understand me, Mr. McAfee?

THE WITNESS: Yes, ma'am. I am prepared to clarify whatever you wish, though.

THE COURT: I understand that. I really would recommend -- we are going to have to stop anyhow. It is almost 25 of 4:00. One of our counsel has a religious obligation which compels us to stop at 4:00. I have given him that assurance that we will do so, and we will do so. So we would not have been able to finish this matter in the remaining 25 minutes.

I think under the circumstances, it is best that we all contemplate on this over the weekend. The Court is in recess until 10:00, but I will bring in the jury, on Monday.

I will just tell the jury that. You can just assemble them in general around here. They don't have to take their places in the box.

(Jury present at 3:33)

THE COURT: Ladies and gentlemen, take any seat because I am going to recess you for the weekend. Sit or stand, as you please. Any seat is all right, ladies and gentlemen.

Ladies and gentlemen, we are going to recess for the weekend. We couldn't possibly complete the testimony that we must develop prior to the conclusion of today at 4:00, as I had earlier told you, and as is necessary to accommodate a religious need of one of our counsel.

As a consequence, it will now be your first weekend in the sequestered status, and I know that the marshals will do their very utmost to make you as comfortable as possible, both with your families and with your own religious needs during this weekend, and I hope you have some chance to enjoy more of the weekend than inside a courtroom.

As far as Monday, we will start at 10:00 in the morning on Monday. We plan to go, as I told you earlier, until about 7:00 on Monday evening. Under those circumstances, nourish yourselves as best as you can. Make the best of the weekend. Do know that we are thinking of you. We are not ignoring you at all. We are concerned about your welfare. We will continue to be concerned about your welfare.

Most importantly, do not discuss the case with anyone. Have a very good weekend. Good afternoon, ladies and gentlemen.

(Jury excused at 3:35)

THE COURT: Mr. McAfee has asked for a copy of this. The file is slim. I would ask that perhaps my clerk can make a photocopy of the papers that are contained in the file.

If you will wait in the courtroom, Mr. McAfee, my clerk will go downstairs, use the photocopy machine, and make a copy of it and then I would like the jacket back.

THE WITNESS: Could I also get a copy of the question that was asked me, and my answer?

THE COURT: I don't know if that could be done in time. That would be up to the court reporter if she would do it, sir.

(Whereupon, at 3:40 p.m., the trial in the above-entitled case was recessed until Monday, March 26th, at 10:00 a.m.)

* * *

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

Gordon A. Slodysko
GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

Shirley Popejoy
SHIRLEY POPEJOY
OFFICIAL COURT REPORTER

Mindi Colchico
MINDI COLCHICO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - - x

UNITED STATES OF AMERICA

VS.

GEORGE VERNON HANSEN,

DEFENDANT

- - - - - - - - - - - - - - - - - - - x

CRIMINAL ACTION
NO. 83-75

VOLUME NO. 6

WASHINGTON, D. C.

MONDAY, MARCH 26, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 10:00 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX

WITNESS	VOIR DIRE	DIRECT	CROSS	REDIRECT	RECROSS
CARL MCAFEE (RESUMED)		551	571	608	
GWENDOLYN YVONNE JONES		612	617	618	618
ODELL ROGERS		620	640		
MALCOLM EUGENE VAN DYKE		644	656		
JOHN D. MEADE, JR.		658			
	680	683	724		
	750		757	804	825
THOMAS G. MILLER		838	843	846	
ROBERT LEE NORWOOD		848	856	865	

EXHIBIT	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
45 AND 46		611
47		633
50		637
51-B	653	654
48		668
49		668
51		671
54		678
53		687
60		704
52		824
61	819	
DEFENDANT'S		
12	581	585
13	594	595
14		680
15	749	
16 AND 17	772	775
18 AND 19	803	
19		825
20	829	831
21	831	833
22	834	835

PROCEEDINGS

(JURY NOT PRESENT)

MR. BRAGA: YOUR HONOR, MR. LEWIN STEPPED OUT FOR A DRINK OF WATER. COULD I GO OUT AND GET HIM?

THE COURT: WOULD YOU, PLEASE.

ALL RIGHT, MR. LEWIN. WE ARE READY TO RESUME. BEFORE WE BRING THE JURY IN, I UNDERSTAND MR. MCAFEE IS IN COURT THIS MORNING, AND I BELIEVE HE HAS SOME -- I SEE HE IS IN COURT, AND I BELIEVE HE HAS SOME COUNSEL WHO ARE ACCOMPANYING HIM.

MR. WEINGARTEN, YOU SAID AT THE TIME THAT WE RECESSED ON FRIDAY -- WILL YOU HAVE A SEAT, MR. MCAFEE; ANYWHERE IS FINE -- AT THE TIME WE RECESSED ON FRIDAY, THAT YOU WANTED TO GIVE SOME CONSIDERATION TO THIS OVER THE WEEKEND, AND I'M CONFIDENT MR. LEWIN DID, ALSO. AND HAVE YOU GENTLEMEN COME TO ANY CONCLUSION?

MR. WEINGARTEN: MY UNDERSTANDING IS FROM MR. MCAFEE'S LAWYERS -- I HAD A BRIEF CONVERSATION WITH THEM THIS MORNING -- MR. MCAFEE WILL GET BACK ON THE STAND AND RESUME THE TESTIMONY. AND THAT IS SATISFACTORY TO THE GOVERNMENT.

THE COURT: ALL RIGHT. MR. LEWIN, SIMILARLY WITH YOU?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: ALL RIGHT. AS MR. MCAFEE, I SUGGEST, UNDERSTOOD AT THE TIME OF THE HEARING, THE COURT WAS TRYING

TO PREVENT ANY OBSTRUCTION OF JUSTICE OR ANY PERJURIOUS STATEMENT BEING MADE, IN LIGHT OF THE RECOGNITION THAT THERE WAS A CASE THAT HAD BEEN FILED IN COURT AND IN LIGHT OF THE STATEMENT OF MR. MCAFEE THAT HE HAD NOT THREATENED LITIGATION.

CONSEQUENTLY, WE WILL BE PLEASED TO RESUME THE TESTIMONY. WHY DON'T WE CALL IN THE JURY, AND MR. MCAFEE THEN WILL CONTINUE IN HIS TESTIMONY, HAVING BEEN COUNSELED OVER THE WEEKEND.

THERE IS A LEGEND THAT IS SITTING ON COUNSEL TABLE, MR. COLE AND MR. WEINGARTEN, THAT YOU MIGHT WANT TO TURN IN SOME DIRECTION UNTIL IT IS NECESSARY TO BE USED. IT SAYS, "LOANS TO GEORGE HANSEN." RIGHT. THANK YOU.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: YOU WILL RECALL THAT TODAY IS THE FIRST OF THE DAYS THAT WE HAVE -- I WANT TO SAY ASSURED YOU -- ADVISED YOU THAT WE ARE GOING TO BE SITTING UNTIL AROUND 7:00 TONIGHT. SO, WITH THAT REMAINING REMEMBRANCE IN YOUR MINDS, LET'S COMMENCE THE TESTIMONY, THE CONTINUATION OF THE TESTIMONY WHERE WE LEFT OFF ON FRIDAY WITH MR. MCAFEE.

MR. MCAFEE, WILL YOU COME UP TO THE WITNESS CHAIR, PLEASE? YOU ARE, OF COURSE, STILL UNDER OATH.

AND WE WILL CONTINUE WITH THE GOVERNMENT DIRECT EXAMINATION.

CARL MCAFEE

RESUMED THE STAND AS A WITNESS AND, HAVING BEEN PREVIOUSL: DULY SWORN, WAS EXAMINED AND TESTIFIED FURTHER AS FOLLOWS:

THE COURT: YES, SIR.

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

DIRECT EXAMINATION (RESUMED)

BY MR. WEINGARTEN:

Q MR. MCAFEE, I THINK ON FRIDAY -- I WOULD JUST LIKE TO BRING US BACK TO WHERE WE WERE,IF I MAY. THERE WAS SOME TESTIMONY THAT YOU MADE A LOAN OF $25,000 TO CONGRESSMAN HANSEN. IS THAT A FAIR STATEMENT?

A YES.

Q ALL RIGHT. JUST SO WE ARE BACK, I WOULD LIKE TO SHOW YOU WHAT HAS BEEN MARKED AND ADMITTED AS GOVERNMENT'S EXHIBITS 41 AND 42. AND I GUESS -- WELL, LET'S START WITH 41 AND 42.

JUST TO GET US BACK, MR. MCAFEE, WHAT'S 41 AND WHAT'S 42?

A 41 IS A PHOTOCOPY OF A $25,000 DEMAND NOTE MADE PAYABLE TO ODELL ROGERS AND CARL MCAFEE, DATED JULY 17, '81. PRINTED ON THE LEFT IS GEORGE V. HANSEN, AN ADDRESS IN ARLINGTON, VIRGINIA, AND A SIGNATURE ON THE RIGHT.

Q JUST HOLD ON ONE SECOND.

MR. WEINGARTEN: I REQUEST PERMISSION TO MAKE THE FIRST PLACEMENT ON THE CHART, YOUR HONOR.

THE COURT: LET'S SEE WHAT THAT PLACEMENT, THE VERBIAGE IS.

MR. WEINGARTEN: SIMPLY THIS.

THE COURT: YES, SIR.

MR. WEINGARTEN: AND I REQUEST PERMISSION TO PUBLISH IT TO THE JURY.

THE COURT: YES, SIR

MR. WEINGARTEN: JULY 17: "GEORGE HANSEN SIGNS NOTE TO MCAFEE AND ROGERS FOR $25,000 LOAN."

BY MR. WEINGARTEN:

Q NOW, MR. MCAFEE, IS THERE A CHECK THERE, AS WELL:

A YES.

Q AND WHAT'S ON THAT CHECK?

A JULY 20, '81, 25,000, GEORGE HANSEN.

Q AND WHO SIGNED THAT CHECK? WELL, WHOSE NAME IS ON THE CHECK, SIR?

A MY NAME IS ON THE CHECK.

Q AND IS IT YOUR SIGNATURE?

A IT IS AUTHORIZED BY ME.

Q ALL RIGHT. SO IT'S YOUR MONEY GOING TO GEORGE HANSEN.

A THAT'S RIGHT.

Q I BELIEVE YOU TESTIFIED LAST WEEK THAT ON THE BACK THERE IS AN INDICATION THAT THE CHECK WAS DEPOSITED JULY 23RD, 1981.

A IT APPEARS ON THE BACK THE INITIALS "JY", '81, IN PARENS, 23, "PAY ANY BANK".

Q IS THERE ANY INDICATION OF A BANK'S NAME BACK THERE?

A THE RIGGS NATIONAL BANK.

MR. WEINGARTEN: YOUR HONOR.

THE COURT: FINE. YOU MAY PUBLISH.

MR. WEINGARTEN: "JULY 23, GEORGE HANSEN DEPOSITS $25,000 CHECK FROM MCAFEE INTO GEORGE HANSEN REACH ACCOUNT AT RIGGS BANK."

MR. WEINGARTEN: MR. MCAFEE, IF I COULD RETRIEVE THOSE EXHIBITS AND PLACE TWO MORE BEFORE YOU, LET ME ASK GENERALLY, DID YOU LEND MORE MONEY TO CONGRESSMAN HANSEN?

A YES.

Q AND WHAT IS REPRESENTED BY GOVERNMENT EXHIBIT 45, SIR?

A IT'S A DEMAND NOTE, 60,000, AUGUST 14, '81, TO THE ORDER OF ODELL ROGERS, CARL MCAFEE. ON THE LEFT APPEARS PRINTED GEORGE V. HANSEN, AN ADDRESS, AND A SIGNATURE ON THE RIGHT.

Q ALL RIGHT.

MR. WEINGARTEN: MR. LEWIN, YOUR HONOR.

LADIES AND GENTLEMEN, "AUGUST 14TH, GEORGE HANSEN SIGNS NOTE TO MCAFEE AND ROGERS FOR $60,000 LOAN."

BY MR. WEINGARTEN:

Q FINALLY, MR. MCAFEE, IS THERE A CHECK THERE, SIR?

A YES.

Q AND WHAT IS ON THAT CHECK?

A AUGUST 14, '81, GEORGE HANSEN, $60,000. AND IT HAS MY NAME ON IT.

Q ALL RIGHT. ON THE BACK OF THE CHECK, IS THERE AN INDICATION WHEN IT WOULD HAVE BEEN DEPOSITED?

A IT APPEARS AS IF -- I'M READING. IT SAYS, "FOR DEPOSIT ONLY" TO AN ACCOUNT NUMBER, "GEORGE HANSEN," A REACH ACCOUNT.

Q IS THERE A DATE, CAN YOU SEE?

A I CAN ONLY TELL YOU WHAT'S HERE. IT APPEARS TO BE "AG 81, 19."

Q DOES IT APPEAR TO BE AUGUST 19TH, 1981? JUST WHAT IT SAYS? JUST WHAT YOU'VE READ?

A IT SAYS "AG 81, 19, PAY ANY BANK." I CAN SEE "WASHINGTON, D. C."

MR. WEINGARTEN: YOUR HONOR.

"AUGUST 19TH, GEORGE HANSEN DEPOSITS $60,000 CHECK FROM MCAFEE INTO GEORGE HANSEN REACH ACCOUNT AT THE RIGGS BANK."

BY MR. WEINGARTEN:

Q MAYBE I CAN RETRIEVE THOSE EXHIBITS FROM YOU AT THIS TIME, SIR.

NOW, MR. MCAFEE, FOLLOWING THE LOANS THAT WERE MADE BY YOU TO MR. HANSEN, DID YOU GO TO THE MINERS AND MERCHANT

BANK IN GRUNDY, VIRGINIA, AND BORROW SIMILAR SUMS YOURSELF?

A I DID NOT GO TO THE BANK.

Q O.K. DID ANYONE GO TO THE BANK ON YOUR BEHALF?

A I'M SURE THEY DID.

Q ALL RIGHT. AND WERE SIMILAR SUMS BORROWED BY YOU AND MR. ROGERS?

A YES.

Q AND WERE THE HANSEN LOANS --

A ONE NOTE WAS ROGERS AND MYSELF; ONE NOTE WAS MINE -- I MEAN IN MY NAME, ONLY.

Q ALL RIGHT. DID YOU USE THE HANSEN NOTES AS COLLATERAL FOR THE LOANS YOU RECEIVED?

A THEY WERE THERE, I BELIEVE EITHER BY ASSIGNMENT OR -- IT MAY HAVE BEEN BY ASSIGNMENT.

Q YOU ASSIGNED THE HANSEN NOTES TO THE BANK FOR COLLECTION PURPOSES?

A I BELIEVE THAT'S CORRECT.

Q WELL, WERE YOU OR THE MINERS AND MERCHANT BANK PAID BACK BY CONGRESSMAN HANSEN?

A THEY WERE PAID.

Q ALL RIGHT. IS IT FAIR TO SAY THAT THE $60,000 NOTE WAS PAID BACK AFTER YOU HAD HAD SOME CONVERSATIONS WITH THE FBI?

A YES.

Q NOW, WAS THE $25,000 NOTE PAID BACK?

A YES.

Q NOW, THERE WAS SOME DISCUSSION BEFORE WE BROKE ON FRIDAY ABOUT WHETHER OR NOT YOU WERE INVOLVED IN A LAWSUIT TO GET THAT MONEY BACK. LET ME ASK YOU FIRST: WAS THERE A LAWSUIT AGAINST GEORGE HANSEN FOR THE RECOVERY OF THE $25,000?

A YES.

Q TO YOUR KNOWLEDGE, WAS THAT LAWSUIT FILED AFTER THE INDICTMENT IN THIS CASE?

A I DON'T KNOW WHEN THE INDICTMENT WAS HANDED DOWN. I CAN TELL YOU GENERALLY WHEN I WAS NOTIFIED FROM THE BANK OF THE PAYMENT. I CAN TELL YOU THAT. BUT I DON'T KNOW, REALLY, WHEN HE GOT INDICTED.

Q ALL RIGHT. WHAT'S THE LAST DATE THAT YOU KNOW?

A I BELIEVE IT WAS IN THE MONTH OF JUNE OF 1983 THAT I LEARNED THAT THE NOTE HAD BEEN PAID.

Q ALL RIGHT. DO YOU KNOW WHAT TRIGGERED THE LAWSUIT, SIR?

A WELL, MR. ROGERS AND I HAD HAD A PARTING OF THE WAYS, SO TO SPEAK, AND I THINK THAT THE MINERS EXCHANGE BANK HAD MADE DEMAND UPON US TO PAY THE NOTE IN OUR NAME OR THE INTEREST. AND I ASSUME THAT THAT'S WHAT TRIGGERED IT.

Q DID YOU FILE THE LAWSUIT?

A NO, I DIDN'T FILE IT. WELL, IT WAS IN MY NAME, BUT I DID NOT FILE IT. I DID NOT EVEN KNOW THE LAWYER WHO DID

FILE IT.

Q YOU WERE A PLAINTIFF IN THE LAWSUIT, THOUGH.

A THAT'S CORRECT.

Q IS IT FAIR TO SAY MR. ROGERS WAS THE MOVING PARTY BEHIND THE LAWSUIT AGAINST GEORGE HANSEN?

A EITHER HE OR HIS LAWYER, I WOULD SAY.

Q AND YOU WERE BROUGHT IN BECAUSE YOUR NAME WAS ON THE NOTE?

A YES. HE WAS REPRESENTED AT THAT PARTICULAR TIME BY MR. ROCKAVICH (PHONETIC) FROM ROANOKE, VIRGINIA.

Q THE NOTES TO GEORGE HANSEN WERE ONE-YEAR NOTES, WERE THEY NOT?

A I BELIEVE THAT'S CORRECT.

Q AND THEY WERE UNSECURED. THEY WERE SECURED ONLY BY CONGRESSMAN HANSEN'S SIGNATURE.

A THAT'S CORRECT.

Q IS IT FAIR TO SAY THAT THE $60,000 WAS PAID OFF IN A TIMELY FASHION AFTER YOUR CALL UPON CONVERSATIONS WITH THE FBI, BUT THAT THE $25,000 NOTE WAS NOT?

A I'M NOT EVEN SURE ABOUT THE SIXTY. I JUST KNOW THAT IT WAS PAID, BUT I DON'T HAVE ANY RECORDS, I DON'T HAVE ANY -- AND THE BANK, WHATEVER THE BANK RECORDS REFLECT WOULD BE ACCURATE, I'M SURE. I DON'T HAVE ANY RECORDS. BUT IT WAS PAID AFTER I HAD A CONVERSATION WITH THE FBI.

Q AND WHAT ABOUT THE TWENTY-FIVE? IF IT WAS PAID

IN JUNE '83 --

A I BELIEVE THAT'S WHEN THE BANK SO ADVISED ME.

Q AND IT WAS LENT IN JULY OF '81.

A '81. I'M SURE THE NOTE WAS BEYOND THE ONE-YEAR LIMIT. AND I BELIEVE -- AND THE NOTE'S THERE, BUT I MEAN THAT I ASSUME THAT THAT'S CORRECT.

Q O.K. NOW, MR. MCAFEE, JUST SOME SUMMARY QUESTIONS.

TO WHOM DID YOU LEND THE MONEY?

A WELL, I'M ASSUMING TO GEORGE HANSEN.

Q ALL RIGHT. AND TO WHOM WERE YOU LOOKING FOR REPAYMENT?

A MR. HANSEN.

Q WERE YOU LOOKING TO ANY NONPROFIT CORPORATION FOR REPAYMENT?

A NO.

Q DID YOU EVER REQUEST ANONYMITY FOR YOURSELF ON THESE NOTES TO CONGRESSMAN HANSEN?

A ANONYMITY?

Q YES. DID YOU EVER TELL HIM YOU DIDN'T WANT PEOPLE TO KNOW THAT YOU WERE LENDING HIM MONEY?

A NO. WELL, I'LL PUT IT THIS WAY: NOT THAT I RECALL. I GOT ENOUGH CALLS FROM THE NEWSPAPERS TO SATISFY ALL OF THAT.

Q SO MY QUESTION SURPRISED YOU. YOU HAVE NO RECOLLECTION; IS THAT A FAIR STATEMENT?

A I DON'T EVER RECALL TELLING HIM I DIDN'T WANT ANYBODY TO KNOW IT, BECAUSE PEOPLE DID KNOW IT.

Q O.K. MR. MCAFEE, WERE YOU INVOLVED IN AN EFFORT TO DEVELOP A HYDROGEN-POWERED CAR?

A WELL, I DON'T WANT TO PLAY ON WORDS, BUT NOT DEVELOP, NO.

Q O.K. IN YOUR OWN WORDS, WHAT WERE YOU DOING?

A WELL, AGAIN I DON'T RECALL THE DATE, BUT I RECEIVED A CALL FROM MR. ROGERS OR A MR. VAN DYKE THAT THEY WANTED ME TO COME TO KENTUCKY TO MEET WITH MR. JOHN MEADE AND A MAN BY THE NAME OF FANCHER FROM AUSTRALIA. AND AT THIS MEETING, MR. FANCHER AND MR. MEADE RELATED A SCENARIO ABOUT A GENTLEMAN IN AUSTRALIA WHO HAD DEVELOPED A HYDROGEN-POWERED AUTOMOBILE, AND THAT HE WAS TRYING TO FUND THIS AUTOMOBILE, AND THAT THEY HAD WORKED -- FANCHER HAD BEEN TRYING TO INTEREST A COMPANY CALLED UNITED COAL COMPANY, WHICH IS A RATHER LARGE COAL-PRODUCING COMPANY IN OUR AREA, TO CHECK INTO IT, AND THAT THEY HAD SPENT CONSIDERABLE TIME WITH THIS INDIVIDUAL WHO WAS DEVELOPING THE CAR.

Q WHY WERE YOU BROUGHT IN? WHAT WAS TO BE YOUR INTEREST?

A I WAS AN ATTORNEY. THERE WERE SOME CONTRACTS, AND, IN GENERAL, TO LOOK INTO THE LEGAL ASPECTS OF IT.

Q ALL RIGHT. WHAT WAS MR. MEADE'S ROLE TO BE?

A MR. MEADE WAS A PROPERTY OWNER IN AUSTRALIA AND HAD

MET MR. FANCHER, APPARENTLY THROUGH SOME PROPERTY DEALINGS. MR. MEADE AND MR. VAN DYKE HAD BEEN CLOSE FRIENDS, AND APPARENTLY THEY GOT INTERESTED -- MEADE HAD GOTTEN INTERESTED, THROUGH FANCHER, OVER THIS PARTICULAR VENTURE. AND ONE OF THE PUBLIC OFFICIALS IN AUSTRALIA, THE PREMIER OF QUEENSLAND, I BELIEVE IT WAS, THAT THEY HAD KNOWN HIM AND HE WAS VERY INTERESTED IN STIMULATING SOME INTEREST IN THE UNITED STATES.

Q ALL RIGHT. SO IT IS FAIR TO SAY THAT THIS WATER CAR WAS BEING DEVELOPED IN AUSTRALIA, AND MR. MEADE WAS LOOKING TO BE AN INVESTOR, AND YOU WERE HIS LAWYER.

A I DON'T THINK ANYBODY WAS LOOKING TO BE AN INVESTOR AT THAT PARTICULAR TIME, BECAUSE IT WAS A RATHER FAR-OUT CONCEPT, AS FAR AS I WAS CONCERNED.

Q WELL, AS IT DEVELOPED, WHAT WAS YOUR INTEREST AND WHAT WAS MR. MEADE'S INTEREST?

A TO DETERMINE IF IN REALITY THIS MAN REALLY DID HAVE -- HAD DEVELOPED A MEANS OF ECONOMICALLY CONVERTING WATER INTO HYDROGEN AND, THEN, IF IT DEVELOPED, TO LOOK AT IT FROM A DEVELOPMENT -- I MEAN BRINGING IT TO THE UNITED STATES, REALLY.

Q AND SELLING THE RIGHTS.

A NO. HE WAS TRYING TO -- THE AUSTRALIAN WAS TRYING TO SELL THE RIGHTS.

Q TO MR. MEADE?

A TO ANYBODY WHO WANTED TO BUY THEM.

Q ALL RIGHT. WELL, DID YOU TAKE THE PROPOSAL SERIOUSLY?

A AT FIRST I DIDN'T.

Q AS IT DEVELOPED, DID YOU?

A WELL, AFTER SOME INVESTIGATION, I DETERMINED THAT THERE WAS SOMEONE IN CALIFORNIA WHO WAS DEVELOPING A HYDROGEN AUTOMOBILE, AND THAT THE GERMANS HAD ALSO DEVELOPED A HYDROGEN AUTOMOBILE. THE PROBLEM -- I GOT A LITTLE BIT OF AN EDUCATION ON CONVERTING WATER TO HYDROGEN. IT'S A VERY EXPENSIVE PROPOSITION. THE PROBLEM WASN'T DRIVING THE CAR ON HYDROGEN; IT WAS THE ECONOMICS OF CONVERTING AND MAKING HYDROGEN. AND I LEARNED THAT IT REALLY REQUIRED A NUCLEAR REACTION.

Q AND, OF COURSE, THAT WOULD BE EXTRAORDINARILY DANGEROUS TO THE DRIVER, WOULD IT NOT?

A NO. I'M TALKING ABOUT THE CONVERSION. WELL, IT COULD BE, YES. YES, YOU'RE RIGHT.

Q ALL RIGHT. DID YOU GO TO AUSTRALIA A COUPLE OF TIMES?

A YES, I DID.

Q AND SOLELY TO LOOK INTO THIS HYDROGEN CAR; IS THAT A FAIR STATEMENT?

A NOT SOLELY. MR. MEADE HAD ANOTHER PROBLEM OVER THERE.

Q ALL RIGHT. BUT AT LEAST ON TWO OCCASIONS YOU WENT TO AUSTRALIA --

A YES.

Q AND WHILE YOU WERE THERE, YOU DEALT WITH THIS INVENTION.

A WELL, I MET WITH THE INVENTOR. LET'S PUT IT THAT WAY.

Q ALL RIGHT.

A HE NEVER DID -- HE NEVER WOULD SHOW ME THE CAR.

Q O.K. DID YOU ALSO GO DOWN TO REDSTONE ARSENAL, I BELIEVE IN ALABAMA, IS IT?

A HUNTSVILLE.

Q HUNTSVILLE, ALABAMA -- AND TRY TO GET SCIENTISTS FROM THE UNITED STATES TO GO OVER TO AUSTRALIA AND TAKE A LOOK AT THIS INVENTION?

A MR. FANCHER, WHO WAS FORMERLY FROM ALABAMA -- HE WAS AN AMERICAN, REALLY, WHO HAD MOVED TO AUSTRALIA -- HAD MET TWO INDIVIDUALS AND HAD EXPLAINED TO THEM WHAT THIS GENTLEMAN IN AUSTRALIA WAS SUPPOSED TO BE DEVELOPING. AND I CAME ACROSS A LETTER FROM THE NUCLEAR COMMISSION OF AUSTRALIA PERTAINING TO THIS AUTOMOBILE, AND THEY GAVE SOME CREDIBILITY TO THIS GENTLEMAN THERE, AS A RESULT OF WHICH, AT THE SUGGESTION OF MR. FANCHER, I MET WITH TWO INDIVIDUALS--AND I DON'T REMEMBER BOTH OF THEIR NAMES; I DO REMEMBER ONE OF THEM'S NAME WAS HUGH GREEN -- AND HAD THIS DOCUMENT FROM AUSTRALIA. AND IN ORDER TO VERIFY THE ACCURACY OF MR. -- THE GENTLEMAN, THE FELLOW WHO WAS EXPERIMENTING THERE, IT REQUIRED CERTAIN

INSTRUMENTATION, THE TYPE OF WHICH I AM NOT FAMILIAR. AND THE ONLY INSTRUMENTATIONS--OR ONLY MEANS THAT THIS COULD BE DONE WOULD BE SOMEBODY THROUGH THE FEDERAL GOVERNMENT.

Q ALL RIGHT. SO YOU WENT TO REDSTONE TO TRY TO FIND SOME SCIENTISTS WHO PERHAPS COULD GO TO AUSTRALIA AND TAKE A LOOK AT THIS PROJECT?

A YES.

Q AND WAS ONE OF THE SCIENTISTS A MAN NAMED MILLER? DO YOU REMEMBER?

A THERE WAS THREE GENTLEMEN THAT WE MET. WE MET FOR LUNCH. ONE OF THEM LEFT EARLY. AND I JUST REMEMBER THE GUY'S NAME HUGH GREEN BECAUSE HE WAS AN AUTOMOTIVE ENGINEER OF SORTS.

Q DO YOU REMEMBER ANY OF THESE SCIENTISTS DOWN AT REDSTONE TELLING YOU THAT UNDER THE PROPOSAL FROM AUSTRALIA, THAT THE NUCLEAR REACTION WOULD KILL THE DRIVER IN LESS THAN A MINUTE IF IT WERE EVER ENACTED? DO YOU REMEMBER ANYTHING ALONG THOSE LINES?

A I REMEMBER THE STATEMENT BEING MADE THAT WITH THE TECHNOLOGY THAT THEY HAD AVAILABLE AT THE TIME, THAT IT WOULD BE HIGHLY DANGEROUS TO NOT NECESSARILY THE DRIVER, ANYONE IN THE PROCESS OF CONVERTING HYDROGEN -- I MEAN CONVERTING WATER TO HYDROGEN.

Q DID YOU TAKE THE PROJECT SERIOUSLY ENOUGH TO OFFER TO PAY, YOURSELF, OR PAY THROUGH OTHER PEOPLE FOR THE SCIENTISTS TO GO TO AUSTRALIA?

A YES.

Q AND WHAT WAS YOUR RESPONSE? WERE YOU SUCCESSFUL IN GETTING THESE PEOPLE OVER THERE?

A WELL, I THINK THE RESPONSE I GOT IN HUNTSVILLE WAS THAT THIS WOULD HAVE TO BE APPROVED BY SOMEBODY IN THE FEDERAL GOVERNMENT.

Q AND ON YOUR OWN, WERE YOU ABLE TO ACCOMPLISH THAT?

A WHAT DO YOU MEAN? GET THEM OVER THERE?

Q YES.

A NO.

Q AND DID YOU SEEK ASSISTANCE FROM CONGRESSMAN HANSEN?

A I ASKED CONGRESSMAN HANSEN TO MAKE AN APPOINTMENT WITH THE SECRETARY OF THE NAVY FOR ME.

Q OF THE --

A I MEAN THE ARMY.

Q AND HIS NAME WOULD BE?

A JACK MARSH.

Q AND WHAT PURPOSE, SIR?

A I WANTED TO TRY TO PROCURE THE INTEREST OF THE GOVERNMENT TO CHECK OUT WHETHER OR NOT THIS FELLOW WAS REAL LEGITIMATE AND WHETHER OR NOT BY SOME FAR MEANS THAT HE COULD HAVE SOMETHING.

Q AND WHY DID YOU GO TO CONGRESSMAN HANSEN?

A NO PARTICULAR REASON. I JUST -- I WANTED AN APPOINTMENT WITH THE SECRETARY OF THE ARMY.

Q DID YOU THINK HE COULD SET IT UP MORE EFFECTIVELY THAN YOU COULD?

A I WOULD ASSUME THAT HE COULD GET IT FASTER THAN I COULD.

Q ALL RIGHT. AND DID YOU THINK HE MIGHT HAVE A LITTLE MORE IMPACT THAN YOU WOULD?

A NO, NOT REALLY. BECAUSE I KNEW MR. MARSH.

Q WELL, THEN, WHAT WAS YOUR POINT OF USING CONGRESSMAN HANSEN?

A I REALLY HAVE NO ANSWER ONE WAY OR THE OTHER AS TO WHY I USED HIM. I JUST DID.

Q WELL, OBVIOUSLY, YOU PICKED UP THE PHONE AND YOU CALLED CONGRESSMAN HANSEN AND SAID, "MAKE ME AN APPOINTMENT."

A YES. OR SOMETHING TO THAT EFFECT.

Q OF COURSE, I'M NOT QUOTING YOU. AND THE OBVIOUS QUESTION IS: WHAT WERE YOU HOPING TO GAIN BY MAKING THAT REQUEST?

A I WAS HOPING TO TRY TO GET THE GOVERNMENT TO VERIFY WHETHER OR NOT THAT THIS FELLOW WAS -- REALLY HAD SOMETHING, BECAUSE IT WAS FAR, FAR BEYOND MY CAPABILITIES.

Q AND TO ACCOMPLISH THAT, YOU WANTED TO GO TO THE TOP; YOU WANTED TO GO TO THE SECRETARY OF THE ARMY.

A WELL, I WANTED TO SEE IF THE SECRETARY OF THE ARMY WOULD PERMIT THESE TWO INDIVIDUALS TO GO OVER THERE TO VERIFY WHETHER OR NOT THERE WAS REALLY A CONVERSION FROM WATER TO

HYDROGEN.

Q O.K.

A OR FIND OUT ANYTHING THEY COULD.

Q AND TO SET IT UP, YOU WANTED CONGRESSMAN HANSEN TO PAVE THE WAY. IS THAT FAIR?

A WANTED CONGRESSMAN HANSEN TO DO WHAT?

Q PAVE THE WAY FOR YOUR MEET WITH SECRETARY MARSH.

A WELL, I HAD KNOWN CONGRESSMAN HANSEN BEFORE. I CONSIDERED HIM A FRIEND, AND I KNEW HIM, AND, I MEAN, I JUST CALLED HIM.

Q O.K. DO YOU REMEMBER--WAS THERE IN FACT SUCH A MEETING WITH THE SECRETARY?

A YES.

Q DO YOU REMEMBER THE --

A WELL, THE SECRETARY CAME IN AND GREETED ME AND TALKED WITH ME, SHOOK HANDS, AND SAID THAT HE HAD SOMEONE ELSE THERE, ONE OF HIS DEPUTIES; HE SAID THIS FELLOW IS KNOWLEDGEABLE IN AFFAIRS SUCH AS THIS -- OR NOT AFFAIRS, BUT MATTERS SUCH AS THIS. AND ACTUALLY, I DON'T THINK HE WAS THERE OVER FIVE MINUTES, MAYBE.

Q WAS CONGRESSMAN HANSEN WITH YOU?

A I BELIEVE HE WAS. I THINK THEY HAD KNOWN EACH OTHER; JACK MARSH HAD BEEN IN THE CONGRESS, MAYBE, WITH HIM. I'M NOT SURE.

Q DO YOU RECALL THE DATE OF THE MEET?

A I REALLY DON'T.

Q ARE THERE ANY DATES UP THERE THAT MAY HELP YOU TO REMEMBER?

A OTHER THAN WHAT I'VE BEEN TOLD.

Q AND YOU'VE BEEN TOLD BY REPRESENTATIVES OF THE GOVERNMENT?

A YES.

Q HOW ABOUT MR. MEADE?

A HE WAS THERE, I BELIEVE.

Q ALL RIGHT. BUT AS YOU SIT HERE NOW, YOU HAVE NO INDEPENDENT RECOLLECTION OF WHEN THAT MEETING WAS?

A OTHER THAN WHAT YOU'VE TOLD ME, OR SOMEBODY TOLD ME.

Q ALL RIGHT. DOES THAT ENABLE YOU TO REMEMBER?

A NO, NOT REALLY.

Q ALL RIGHT. WHAT WAS THE RESULT OF THE MEET WITH THE SECRETARY OF THE ARMY? DID THEY ACCEDE TO YOUR REQUEST?

A I CAN'T REMEMBER THE DEPUTY'S NAME, BUT I DO REMEMBER HE WAS FROM MICHIGAN. I THINK HE HAD WORKED WITH FORD MOTOR, WAS ONE OF THE REASONS THE SECRETARY HAD HIM THERE. AND HE PROCEEDED TO SAY THAT UNLESS THERE WAS SOME REALLY ADVANCED TECHNOLOGY, THAT IN HIS OPINION, THAT IT WOULD BE MOST UNECONOMICAL TO CONVERT HYDROGEN -- I MEAN MAKE HYDROGEN OUT OF WATER WITH THE PRESENT TECHNOLOGY THAT WAS AVAILABLE.

Q SO IS IT FAIR TO SAY THAT THAT MEETING OF JULY -- OR THAT MEETING AT THE PENTAGON DID NOT PRODUCE THE RESULT

THAT YOU WANTED? SCIENTISTS WERE NOT SENT OVER TO AUSTRALIA?

A THEY WERE NOT SENT THERE. AND I THINK THAT I WAS READY TO CONCEDE THAT THIS FELLOW DIDN'T KNOW -- THIS FELLOW REALLY, IN AUSTRALIA, WAS NOT CAPABLE OF DOING WHAT HE SAID HE COULD DO.

Q BUT NEVERTHELESS, YOU WENT TO AUSTRALIA TWO TIMES AFTER THE PENTAGON MEETING, DID YOU NOT?

A I THOUGHT I -- IF MY MEMORY SERVES ME CORRECTLY, I WENT AFTER THAT MEETING.

Q RIGHT.

A BUT, NO, I DIDN'T GO TWO TIMES AFTER THAT MEETING THAT I RECALL. I THINK THE FIRST MEETING -- I MEAN THE FIRST TRIP TO AUSTRALIA, I DON'T REMEMBER PRECISELY WHEN IT WAS, BUT --

Q MAYBE THIS WILL HELP YOU. DO YOU RECALL -- YOU SAID YOU WERE OUT OF THE COUNTRY WHEN THE $60,000 LOAN WAS MADE?

A YES.

Q ISN'T IT TRUE THAT YOU WENT TO AUSTRALIA AUGUST 14?

A I THINK THAT'S ACCURATE. I WAS EITHER THERE OR GETTING READY TO GO.

Q ALL RIGHT. SO YOU CERTAINLY WERE INTERESTED IN THE HYDROGEN CAR AS OF AUGUST 14TH.

A WELL, MY INTEREST HAD WANED AFTER I TALKED TO THE SECRETARY; LET'S PUT IT THAT WAY -- OR HIS REPRESENTATIVE.

Q WELL, DID YOU TOUT YOUR RELATIONSHIP WITH CONGRESSMAN HANSEN TO ANY OF THE SCIENTISTS AFTER THE PENTAGON MEETING?

A TOUT IT? YOU MEAN DID I BRAG ABOUT IT?

Q WELL, REPRESENT TO THE SCIENTISTS IN REDSTONE, FOR EXAMPLE, THAT CONGRESSMAN HANSEN WAS BEHIND THE PROJECT AND YOU COULD GET HIM TO SECURE THEIR POSITIONS IF THEY GET IN TROUBLE IF THEY GO TO AUSTRALIA?

A I DON'T RECALL THAT. I THINK I TOLD THEM THAT I WAS GOING TO TRY TO SEEK AN APPOINTMENT WITH THE SECRETARY.

Q WHAT ABOUT FOLLOWING THAT MEETING?

A I MAY OR MAY NOT HAVE TALKED TO THEM AFTER THAT. I DON'T EVEN REMEMBER.

Q AND DO YOU RECALL TALKING TO THEM ABOUT CONGRESSMAN HANSEN?

A I VERY WELL COULD HAVE.

Q DID YOU ASK CONGRESSMAN HANSEN TO LOBBY THE PENTAGON TO GET THE SCIENTISTS TO GO TO AUSTRALIA AFTER THE MEETING WITH SECRTARY MARSH?

A DID I ASK HIM TO LOBBY FOR WHAT, NOW?

Q TO GET THE SCIENTISTS PERMISSION TO GO.

A I DON'T RECALL THAT.

Q DO YOU KNOW WHETHER OR NOT HE DID?

A NO.

Q IF HE DID, WOULD IT HAVE BEEN PURSUANT TO YOUR INSTRUCTIONS OR SOMEONE ELSE'S INSTRUCTIONS, IF YOU KNOW?

MR. LEWIN: YOUR HONOR, I OBJECT TO THAT.

MR. WEINGARTEN: WITHDRAWN. WITHDRAWN.

THE COURT: IT IS WITHDRAWN, MR. LEWIN.

BY MR. WEINGARTEN:

Q MR. MCAFEE, DO YOU REMEMBER GOING UP TO WASHINGTON ON AUGUST THE 12TH, TWO DAYS BEFORE THE LOAN WAS SIGNED AND TWO DAYS BEFORE YOU WENT TO AUSTRALIA?

A IF YOU SAY I DID, I GUESS I DID. I DON'T REMEMBER IT.

Q ALL RIGHT. WELL, THINK BACK TO THE TRIP, O.K.? DO YOU REMEMBER MAKING THE TELEPHONE CALL TO YOUR SECRETARY TO SIGN THE CHECK TO GEORGE HANSEN FOR $60,000?

A I DON'T REMEMBER. IF SHE SAYS I DID IT, I'M SURE I DID.

Q ALL RIGHT. DO YOU RECALL THAT CALL BEING FROM AN AIRPORT ON YOUR WAY TO AUSTRALIA?

A NO.

Q ALL RIGHT. I GUESS THE QUESTION IS -- WELL, LET ME ASK YOU: WHO IS BILL FLEMING?

A HE'S MY PILOT -- OR WAS MY PILOT.

Q AND WHAT IS LONESOME PINE AIRPORT?

A THAT'S AN AIRPORT WHERE I LIVE.

Q AND WHEN YOU FLY FROM HOME UP TO WASHINGTON, DO YOU USE THAT AIRPORT?

A YES.

Q AND IS MR. FLEMING THE PILOT THAT WOULD FLY YOU?

A YES. HE WOULD HAVE BEEN AT THE TIME.

Q ALL RIGHT. NOW, AUGUST 12TH, TWO DAYS BEFORE, DO YOU RECALL FLYING UP TO WASHINGTON?

A I KNOW I HAD TO COME TO WASHINGTON TO GO TO THE -- TO PROCURE A VISA, AND IF THAT'S THE TRIP YOU HAVE REFERENCE TO. BUT I REALLY DON'T.

Q ALL RIGHT. DURING A TRIP PRIOR TO GOING TO AUSTRALIA, DID YOU MEET WITH CONGRESSMAN HANSEN?

A I COULD HAVE.

MR. WEINGARTEN: THANK YOU, SIR. NO FURTHER QUESTIONS.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q GOOD MORNING, MR. MCAFEE.

A GOOD MORNING.

Q I BELIEVE YOU TESTIFIED THAT YOU ARE AND HAVE BEEN AN ATTORNEY IN VIRGINIA FOR SOME PERIOD OF TIME; IS THAT RIGHT?

A YES.

Q AND ABOUT HOW MANY YEARS HAS THAT BEEN?

A SINCE 19 -- WELL, I WAS IN THE NAVY ABOUT FOUR YEARS, AND I WOULD SAY SINCE -- I THINK I PASSED THE BAR IN EITHER '54 OR '55, AND I WAS IN THE NAVY A LITTLE OVER THREE YEARS, AND I THINK I STARTED PRACTICING SOMETIME THE LATTER PART OF

'58 OR EARLY '59, BACK -- I MEAN I CAME BACK TO VIRGINIA.

Q AND YOU BRIEFLY TESTIFIED THAT AT THE TIME OF THE HOSTAGE INCIDENT IN IRAN, YOU WERE REPRESENTING THE FAMILY OF ONE OF THE HOSTAGES; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND YOU HAVE, IN FACT, BEFORE THAT TIME ALSO REPRESENTED OTHER CLIENTS WHO HAVE BEEN PUBLICLY FAMOUS, AS IT WERE, OR KNOWN ABOUT IN THE PRESS; IS THAT CORRECT?

A THAT'S CORRECT.

Q SPECIFICALLY --

MR. WEINGARTEN: EXCUSE ME. I'M GOING TO OBJECT TO THIS.

THE COURT: COUNSEL, WHY DON'T WE COME UP TO THE BENCH. I'M NOT CERTAIN WHERE THIS IS GOING. LET'S MAKE SURE IT IS RELEVANT.

(AT THE BENCH)

THE COURT: WHAT IS YOUR PROBLEM, MR. WEINGARTEN?

MR. WEINGARTEN: I THINK WHO HE REPRESENTS IS TOTALLY IRRELEVANT.

THE COURT: WELL, I DON'T KNOW HOW IT IS GOING TO TIE IN. OBVIOUSLY, MR. LEWIN WOULD HAVE SOME WAY OF TYING IT IN.

MR. LEWIN: SOME BACKGROUND WITH REGARD TO MR. MCAFEE, TO DEMONSTRATE THAT HE IS A PERSON AS TO WHOM THERE WOULD BE NO RELUCTANCE ON THE PART OF CONGRESSMAN HANSEN TO

SHOW THAT HE HAD HAD ANY LOANS FROM MR. MCAFEE. MR. MCAFEE IS A WELL-KNOWN ATTORNEY; HE HAS REPRESENTED FRANCIS GARY POWERS PREVIOUSLY. WE HAVE ELICITED THE FACT -- MR. WEINGARTEN ELICITED THE FACT THAT HE HAD REPRESENTED TIMMS. I THINK SIMPLY THE FACT -- HE REPRESENTED PEOPLE IN TERMS OF THE PUEBLO INCIDENT. HE IS A WELL-KNOWN ATTORNEY. HE IS A PERSON ABOUT WHOM THERE IS NO --

THE COURT: ALL RIGHT. LET'S SAY IT IS SO. I WILL, OBVIOUSLY, ACCEPT YOUR REPRESENTATION. HOW DO YOU PLAN TO TIE THAT IN WITH MR. HANSEN AND THE LOANS?

MR. LEWIN: WELL, IF THERE IS SOME QUESTION AS TO -- MR. WEINGARTEN IS ASSERTING THERE WAS SOME ATTEMPT TO CONCEAL THE FACT THAT THERE WAS A LOAN FROM MR. MCAFEE. MR. MCAFEE IS WELL KNOWN, AND HE IS WELL KNOWN BOTH--IN TERMS OF I THINK THE CAUSES HE REPRESENTED. THERE WOULD HAVE BEEN NO EMBARRASSMENT TO CONGRESSMAN HANSEN IN TERMS OF PUTTING DOWN THE LOAN IF IT HAD BEEN A LOAN TO HIM. THAT'S ALL I AM POINTING OUT.

MR. WEINGARTEN'S ARGUMENT IS THAT THE LOAN FROM MR. MEADE, FOR EXAMPLE -- HE ELICITED THE FACT THAT MR. MEADE WAS CONVICTED, AND ARGUED TO THIS JURY IN OPENING STATEMENT THAT CONGRESSMAN HANSEN'S REASON FOR NOT PUTTING THE LOAN ON THE FORM WAS HE DID NOT WANT TO SHOW THAT HE RECEIVED A LOAN FROM SOMEBODY WHO HAD BEEN CONVICTED. I THINK THE FACT THAT MR. MCAFEE IS WELL KNOWN IS A SUBSTANTIAL COUNTERVAILING

FACTOR THAT DEMONSTRATES THAT HE IS --

THE COURT: BRIEFLY, BRIEFLY. BECAUSE WE ARE CERTAINLY NOT GOING TO HAVE THE CASE OF GARY POWERS TRIED HERE IN THE COURT.

MR. LEWIN: YES, OF COURSE.

THE COURT: VERY, VERY BRIEFLY, AND TIE IT IN QUICKLY, WILL YOU PLEASE, MR. LEWIN?

MR. LEWIN: ALL RIGHT.

(END OF BENCH CONFERENCE)

BY MR. LEWIN:

Q I WAS ASKING YOU, MR. MCAFEE, WHETHER YOU HAD REPRESENTED PREVIOUSLY CLIENTS WHOSE CASES AND MATTERS WERE A MATTER OF PUBLIC INTEREST AND REPORTED, AND I THINK YOU RESPONDED AFFIRMATIVELY; IS THAT CORRECT?

A YES.

Q SPECIFICALLY, FOR EXAMPLE, WITH REGARD TO FRANCIS GARY POWERS, THE PILOT IN THE U-2 INCIDENT. DID YOU REPRESENT HIM?

A YES.

Q O.K. AND THAT WAS REPORTED IN THE PRESS, AND YOUR REPRESENTATION OF HIM WAS REPORTED?

A YES.

Q YOU REPRESENTED ALSO IN CONNECTION WITH THE PUEBLO INCIDENT, I BELIEVE YOU REPRESENTED SOME CLIENTS. WHAT WAS THAT?

A I REPRESENTED A FATHER, AND I MADE A TRIP ALONG WITH HIM TO MOSCOW. ANDY, ANYWAY, THEN I ENDED UP REPRESENTING, OH, I THINK ABOUT -- I CAN'T REMEMBER THE EXACT NUMBER, MAYBE 15 OR 20 MEMBERS OF THE CREW.

A OF THE CREW OF THE U.S.S. PUEBLO.

A YES.

Q AND THAT WAS ALSO REPORTED IN THE PRESS.

A I'M PRETTY SURE IT WAS. THE INCIDENT I'M SURE WAS.

Q IT'S FAIR TO SAY, ISN'T IT, THAT YOU ARE A WELL-KNOWN, RESPECTED ATTORNEY ACCORDING TO MATTERS THAT ARE REPORTED IN THE PRESS. YOU CONSIDER YOURSELF IN THAT REGARD, DON'T YOU?

A WELL, I THOUGHT I WAS.

Q GOOD. O.K. I JUST WANTED TO ESTABLISH THAT.

A I MEAN I THOUGHT I WAS RESPECTED. NOW, I HOPE -- I DON'T KNOW.

Q AND THE PUBLIC KNOWS OF YOUR NAME IN CONNECTION WITH THESE CASES, YOU THINK.

A GENERALLY SPEAKING, I'D SAY THAT'S CORRECT.

Q ALL RIGHT. FINE. NOW, LET ME TAKE YOU BACK, THEN, TO 1979. YOU TESTIFIED THAT YOU REPRESENTED THE FAMILY OF A HOSTAGE HELD IN TEHRAN, IS THAT RIGHT?

A YES, SIR.

Q AND WHO SPECIFICALLY? WHAT'S THE NAME OF THAT FAMILY?

A WELL, IT WAS MRS. TIMM. BARBARA AND KENNETH TIMM -- T-I-M-M-S, TIMMS. THE HOSTAGE'S NAME WAS NOT TIMM; IT WAS KEVIN HERMANIE, AND HIS MOTHER WAS BARBARA TIMM, WHO HAD REMARRIED MR. HERMANIE -- I BEG YOUR PARDON; MR. TIMM.

Q AND SHE RETAINED YOU FOR THE PURPOSE OF ASSISTING IN TRYING TO RELEASE HER SON? IS THAT CORRECT?

A THAT'S CORRECT.

Q NOW, COULD YOU JUST EXPLAIN TO THE COURT AND JURY HOW COME -- I'M SORRY. BEFORE I GET TO THAT -- STRIKE THAT.

WAS IT IN THAT CONTEXT THAT YOU FIRST CONTACTED CONGRESSMAN HANSEN?

A YES.

Q ALL RIGHT. NOW, WOULD YOU EXPLAIN, PLEASE, TO THE COURT AND JURY WHY IT WAS IN THAT CONTEXT THAT YOU CONTACTED CONGRESSMAN HANSEN?

A BECAUSE THE CONGRESSMAN HAD BEEN OVER TO TEHRAN I BELIEVE ON TWO OCCASIONS -- EITHER ONE OR TWO OCCASIONS. AND HE HAD ALSO BEEN IN TOUCH WITH A FELLOW BY THE NAME OF ALI AGAH, I BELIEVE HIS NAME WAS, WITH THE IRANIAN EMBASSY HERE AT THAT TIME. AND HE HAD DEVELOPED A GOOD DEAL OF CONTACTS WITH THE IRANIAN GOVERNMENT HERE, AS WELL AS IN TEHRAN. AND, OBVIOUSLY, I WAS INTERESTED IN PROCURING AS MUCH INFORMATION AS I POSSIBLY COULD IN THE HOPES OF ASSISTING MY CLIENT.

Q AND YOU HAD LEARNED ABOUT THIS FROM THE PRESS, FROM

REPORTS ABOUT WHAT THE CONGRESSMAN HAD DONE.

A YES, I DID.

Q AND WHEN YOU WENT TO SEE THE CONGRESSMAN ABOUT THESE MATTERS, WAS THE CONGRESSMAN HELPFUL?

A MOST HELPFUL.

Q COULD YOU BE SPECIFIC IN WHAT REGARDS HE WAS HELPFUL?

A HE, IF I REMEMBER CORRECTLY, CALLED AND MADE SOME ARRANGEMENTS FOR US TO MEET WITH REPRESENTATIVES OF -- AT THE IRANIAN EMBASSY AT THAT TIME. HE ALSO HAD MADE SOME CALLS TO TEHRAN, BECAUSE A GREAT DEAL OF -- THE POWER STRUCTURE AT THAT TIME WAS STUDENTS -- NOT STUDENTS, I GUESS. MAYBE PEOPLE WHO HAD SPENT A CONSIDERABLE AMOUNT OF TIME IN THE UNITED STATES WERE IN A POSITION OF AUTHORITY THERE. AND HE ALSO INTERVENED IN BEHALF OF ME AND MY CLIENT WITH THE STATE DEPARTMENT, IN TELEPHONE CALLS THERE.

I THINK HE EVEN SET UP AN APPOINTMENT FOR ME TO MEET WITH A FORMER SENATOR FROM NORTH DAKOTA, WHO WAS REPRESENTING THE IRANIAN GOVERNMENT AT THE MOMENT -- AT THAT TIME. I MET WITH HIM. THERE WAS A NUMBER OF THINGS THAT HE DID DO.

Q AND IT'S A FACT, IS IT NOT, THAT FOR ALL THESE MATTERS, HE WAS NOT ASKING YOU FOR ANYTHING AT THAT POINT?

A NO.

Q THIS WAS --

A NO. HE NEVER ASKED ME FOR ANYTHING.

Q AND YOU JUST CAME TO HIM AS AN ATTORNEY REPRESENTING

SOMEBODY IN TROUBLE, FAMILY OF SOMEBODY IN TROUBLE?

A WELL, I KNEW THAT HIS INTEREST WAS KEEN. I KNEW THAT HE HAD BEEN THERE. IT WAS A SOURCE OF INFORMATION; IT WAS A SOURCE OF HELP. AND HE OPENED HIS GOOD OFFICES TO ME AND ASSISTED ME.

Q AND WERE YOU IN HIS OFFICES IN THAT PERIOD OF TIME FREQUENTLY?

A I'M SURE I WAS. I MEAN I WOULDN'T BE ABLE TO TELL YOU HOW MANY TIMES.

Q AND --

A AND I CALLED HIM FREQUENTLY.

Q AND YOU CALLED HIM FREQUENTLY. AND DID YOU, IN FACT, TRAVEL OVER, AT ANY POINT, TO TEHRAN?

A YES, I DID.

Q IT'S A FACT, IS IT NOT, MR. MCAFEE, THAT YOU WERE IN TEHRAN AT THE TIME THAT THE EFFORT -- ABORTIVE EFFORT WAS MADE TO RESCUE THE HOSTAGES?

A YES, I WAS.

Q AND COULD YOU TELL US, TELL THE COURT AND JURY, WHETHER YOU THINK CONGRESSMAN HANSEN WAS IN ANY WAY HELPFUL IN TERMS OF YOUR PERSONAL SECURITY AND THAT OF YOUR CLIENT AT THE TIME?

A I CONSIDER THAT HE -- FOR WANT OF AN EXPRESSION, YOU KNOW, SORT OF HELPED SAVE MY HIDE.

Q YOU THINK HE HELPED SAVE YOUR HIDE AT THAT TIME.

A YES.

Q SO YOU MADE IT OUT OF TEHRAN AFTER THAT ABORTIVE RESCUE EFFORT.

A YES.

Q NOW, DID YOU FEEL GRATEFUL TO HIM?

A I SURE DID.

Q DID HE ASK YOU FOR ANYTHING AT THAT POINT?

A NO.

Q NOW, WE ARE IN 1980, NOW, MR. MCAFEE. DID YOU SUBSEQUENT TO THAT TIME HAVE OCCASION TO TALK TO THE CONGRESSMAN BOTH ABOUT IRAN AND OTHER MATTERS?

A YES. WE TALKED FREQUENTLY ABOUT IRAN. I MIGHT ADD THAT, IF MY MEMORY SERVES ME CORRECTLY, AFTER I GOT OUT, THERE WAS A SECOND EFFORT FOR MRS. TIMM AND I TO GO BACK TO TEHRAN, AND THE CONGRESSMAN ASSISTED IN THAT REGARD. AND WE GOT TO PARIS. THEY WOULD NOT GIVE HER A VISA; THEY GAVE ME A VISA. AND, ANYWAY, HE WORKED WITH ME CONSTANTLY THROUGH THIS PERIOD -- I WON'T SAY CONSTANTLY. HE WORKED WITH ME THROUGHOUT THE ENTIRE ORDEAL. AND AFTERWARD, AFTER THE RELEASE, I TALKED WITH HIM FREQUENTLY.

Q YOU KNEW AT THE TIME THAT YOU CONTACTED CONGRESSMAN HANSEN THAT HE WAS A REPUBLICAN, DID YOU NOT?

A YES.

Q AND YOU KNEW HE WAS A CONSERVATIVE REPUBLICAN.

A WELL, I WOULD SAY THAT MY IMPRESSION OF THE

CONGRESSMAN WAS THAT HE WENT WHERE ANGELS FEAR TO TREAD. NOW, I DON'T KNOW WHETHER THAT IS CONSERVATISM OR NOT. BUT I KNEW THAT HE WAS CERTAINLY WILLING TO UNDERTAKE CONTROVERSIAL MATTERS.

Q BUT IN TERMS OF POLITICAL VIEWS, YOU KNEW THAT HE WAS -- I MEAN NOT CONSERVATIVE IN THE SENSE OF NOT WILLING TO TAKE RISKS, BUT CONSERVATIVE IN THE SENSE OF BEING POLITICALLY CONSERVATIVE, IN THAT SENSE.

A I ASSUME THAT HE IS. THAT WAS NOT REALLY A FACTOR IN MY THINKING. I JUST KNEW THAT HE WAS WILLING TO HELP IN LOST CAUSES, I GUESS.

Q O.K. BUT LET ME ASK YOU, THEN, IF I MIGHT, JUST BECAUSE IT'S RELEVANT IN TERMS OF THIS CASE, ASK YOU ABOUT YOUR OWN VIEWS. ARE YOU ALSO POLITICALLY CONSERVATIVE?

A I ALWAYS HAVE A HARD TIME WITH CONSERVATIVE AND LIBERAL PHRASES. I SUPPOSE I'M CONSERVATIVE IN SOME AND LIBERAL IN OTHERS.

Q ALL RIGHT.

A BUT -- I DON'T KNOW HOW TO REALLY ANSWER THAT, OTHER THAN TO SAY --

Q ALL RIGHT. LET ME ASK IT TO YOU ANOTHER WAY.

DID YOU SHARE AND HAVE YOU SHARED MANY OF CONGRESSMAN HANSEN'S VIEWS ON POLITICAL QUESTIONS?

A WELL, I'LL PUT IT THIS WAY: HE AND I -- I SHARED ONE VIEW WITH HIM. HE AND I WERE NOT PARTICULARLY FOND OF

THE STATE DEPARTMENT. I MEAN THAT I REMEMBER VERY WELL.

Q HOW ABOUT THE INTERNAL SERVICE?

A I SURE SHARE HIS VIEWS ON THAT.

Q O.K. DID YOU IN THE COURSE OF 1980 ALSO HAVE OCCASION AT VARIOUS TIMES THAT YOU WERE IN HIS OFFICE TO DISCUSS VIEWS OF THE STATE DEPARTMENT, OF THE INTERNAL REVENUE SERVICE, OF VARIOUS GOVERNMENT AGENCIES?

A YES.

Q DID HE BRING TO YOUR ATTENTION THE FACT THAT HE PUBLISHED A BOOK IN 1980 THAT WAS CRITICAL OF THE INTERNAL REVENUE SERVICE?

A YES.

MR. LEWIN: SPECIFICALLY, I WOULD LIKE TO HAVE MARKED AS DEFENSE EXHIBIT --

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 12 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 12 WAS MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q I SHOW YOU WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT 12 FOR IDENTIFICATION AND ASK YOU WHETHER YOU RECOGNIZE THAT BOOK.

A YES, I DO.

Q DID YOU GET A COPY OF THAT?

A I MEAN I DON'T --

Q I DON'T MEAN THAT PARTICULAR COPY, OF COURSE. I'M SORRY. YOU ARE AN ATTORNEY, MR. HANSEN, SO YOU ARE VERY SPECIFIC --

THE COURT: MR. MCAFEE, NOT MR. HANSEN.

MR. LEWIN: I MEAN MR. MCAFEE. I'M SORRY.

BY MR. LEWIN:

Q SO YOU ARE VERY SPECIFIC, AND I'M AFRAID THAT AT TIMES MY QUESTIONS MAY NOT BE SUFFICIENTLY SPECIFIC FOR YOU. SO YOU ARE CORRECT TO CORRECT ME.

BUT DO YOU RECOGNIZE THAT -- NOT THAT IDENTICAL VOLUME, BUT --

A HE GAVE ME A BOOK LIKE THIS.

Q YES. AND HE GAVE IT TO YOU SOMETIME IN 1980, DURING YOUR MEETINGS?

A YES, I'M SURE HE DID.

MR. LEWIN: WE OFFER DEFENDANT'S EXHIBIT 12 IN EVIDENCE.

MR. WEINGARTEN: I WOULD LIKE TO APPROACH THE BENCH.

THE COURT: COUNSEL TO THE BENCH.

(AT THE BENCH)

THE COURT: IT IS INTERESTING, BUT OTHER THAN THE FACT THAT THEY SHARED A BOOK THAT CONGRESSMAN HANSEN HAD WRITTEN, WHAT IS YOUR RELEVANCE?

MR. LEWIN: MR. MCAFEE HAS TESTIFIED THAT HE LENT THE MONEY, IN ANSWER TO MR. WEINGARTEN'S QUESTIONS, TO PROMOTE

A BOOK. AND, IN FACT, I WILL ELICIT THAT IT WAS MORE THAN SIMPLY A BOOK. IT WAS THE WHOLE PURPOSE BEHIND THE BOOK.

THE COURT: THIS BOOK?

MR. LEWIN: IT IS THIS BOOK, EXACTLY THIS BOOK. IT'S AT THE VERY HEART OF THE CASE, YOUR HONOR.

THE COURT: SO YOU ARE GOING TO TIE IN WHEN HE GAVE HIM THE BOOK?

MR. LEWIN: I JUST DID. HE SAID IN 1980.

MR. WEINGARTEN: THE FACT THAT THERE'S A BOOK IS FINE. THE JURY HAS SEEN THAT THERE IS A BOOK. BUT WE OBJECT TO THE ADMISSION OF THE BOOK ITSELF. WHAT IS CONTAINED -- THE SUBSTANCE OF THE BOOK, WHAT IS CONTAINED THEREIN IS WHOLLY IRRELEVANT. IT IS INFLAMMATORY; IT IS PREJUDICIAL. WE OBJECT TO ITS ADMISSION INTO EVIDENCE. WE THINK IT WOULD BE GROSSLY UNFAIR IF THAT BOOK WENT BACK WITH THE JURY.

MR. LEWIN: IT IS AMAZING. THE MAN TESTIFIES IN ANSWER TO THE GOVERNMENT'S QUESTION THAT HE HAS GIVEN THIS MONEY WHICH THE GOVERNMENT IS CHARGING TO PROMOTE THIS BOOK, AND THE GOVERNMENT SAYS THE JURY CAN'T SEE THE BOOK?

MR. WEINGARTEN: THE JURY HAS SEEN THE BOOK. WHAT THE JURY SHOULDN'T BE ABLE TO DO IS SEE THE SUBSTANCE.

MR. LEWIN: NO, THE WHOLE POINT OF THIS THING IS THAT THIS INDIVIDUAL SUPPORTS, SUPPORTED AND LENT FUNDS PRECISELY FOR THIS PURPOSE, WHICH WAS DESIGNED TO AMEND THE INTERNAL REVENUE LAWS. THIS BOOK, WHICH IS THE STORY OF THE

IRS AND ITS ABUSE, IS EXACTLY WHAT CONGRESSMAN HANSEN WAS SOLICITING THE FUNDS FOR. AND PLAINLY, IT IS, I THINK, THE MOST ADMISSIBLE EXHIBIT I HAVE YET SEEN IN THIS CASE.

THE COURT: I WOULDN'T COUCH IT AS THE MOST ADMISSIBLE EXHIBIT IN THIS CASE.

MR. LEWIN: WELL, I'M SORRY, YOUR HONOR.

THE COURT: BUT I WILL ADMIT IT OVER GOVERNMENT'S OBJECTION. AND CERTAINLY, IN ARGUMENT THE GOVERNMENT CAN MAKE ITS ARGUMENT THAT JUST THE FACT THE BOOK HAS BEEN WRITTEN AND THE FACT THIS GENTLEMAN HAS SO TESTIFIED THAT HE GAVE MONEY IN ORDER TO ENCOURAGE ITS PUBLICATION IS THE POINT THAT IS TRYING TO BE MADE, RATHER THAN THE CONTENTS OF THE BOOK. BUT I DON'T THINK WE HAVE TO BELABOR IT ANY MORE BEYOND TYING IT IN TO THE REASON, IF IT IS GOING TO BE SO, THAT MR. MCAFEE IS GOING TO EXPRESS WHY HE LENT MONEY. BUT OTHER THAN THAT, THE CONTENTS OF THE BOOK, WE DON'T HAVE TO BELABOR, RIGHT, MR. LEWIN?

MR. LEWIN: I AM NOT BELABORING IT, YOUR HONOR. I DON'T THINK I HAVE BELABORED ANYTHING.

THE COURT: I AM SAYING JUST FOR THE FUTURE.

MR. LEWIN: YOUR HONOR, LET ME SAY: SEVERAL TIMES WE HAVE BEEN UP TO THE BENCH AND YOUR HONOR HAS MADE STATEMENTS TO ME, "LET'S KEEP IT CONCISE, DON'T BELABOR IT." I THINK I HAVE NOT BELABORED ANYTHING IN THIS CASE, YOUR HONOR. I HAVE MOVED IT ALONG. AND I DO NOT FEEL I WARRANT THOSE KIND

OF REMARKS FROM YOUR HONOR.

THE COURT: FINE. I JUST WANT TO MAKE CERTAIN IT DOES MOVE ALONG, MR. LEWIN. BUT I ALSO WANT TO MAKE CERTAIN WE DON'T GO INTO A DISCUSSION OF THE CONTENTS OF THE BOOK, BECAUSE I THINK WE WILL AGREE THE ONLY REASON IT IS COMING IN IS TO SHOW THAT KIND OF CONNECTION, IF ANY THERE BE, BETWEEN MR. MCAFEE'S PAYMENT OF MONEY AND CONGRESSMAN HANSEN'S ACCEPTANCE OF IT, AND SOMEHOW YOU WILL TIE THAT IN TO THE DISCLOSURE FORMS. I ASSUME THAT'S WHY YOU ARE MOVING IT.

MR. LEWIN: RIGHT.

THE COURT: IT'S IN, OVER OBJECTION. ALL RIGHT.

(END OF BENCH CONFERENCE)

MR. LEWIN: SO, YOUR HONOR, I OFFER DEFENDANT'S EXHIBIT 12 IN EVIDENCE.

THE COURT: IT'S IN.

MR. LEWIN: THANK YOU.

(DEFENDANT'S EXHIBIT NO. 12 WAS RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q THE TITLE OF THE BOOK IS "TO HARASS OUR PEOPLE", BY CONGRESSMAN GEORGE HANSEN AND LARRY ANDERSON, "THE STORY OF THE IRS." AND THEN -- CAN I JUST READ THE FRONT COVER, YOUR HONOR, JUST SO THAT --

THE COURT: I DON'T THINK THAT'S NECESSARY, MR. LEWIN. IT IS IN EVIDENCE. BUT WE CAN HAVE THE TIE-IN NOW

THAT WE TALKED ABOUT AT THE BENCH.

BY MR. LEWIN:

Q YOU TESTIFIED ON DIRECT EXAMINATION, MR. MCAFEE, THAT THE LOAN THAT THE GOVERNMENT HAS HAD YOU TESTIFY ABOUT -- BOTH LOANS, THE $25,000 LOAN AND THE $60,000 LOAN, WERE, TO YOUR UNDERSTANDING, FOR PROMOTION OF A BOOK.

A THAT'S CORRECT.

Q AND WAS THAT THE BOOK THAT YOU ARE JUST REFERRING TO?

A I ASSUME THAT IT WAS.

Q AND THAT'S WHAT YOU UNDERSTOOD AT THE TIME THAT THE CONGRESSMAN HAD SPOKEN TO YOU ABOUT SECURING FUNDS FOR HIS USE IN 1981.

A YES.

Q HAD YOU PRIOR TO THAT TIME DISCUSSED WITH THE CONGRESSMAN HIS VIEWS CONCERNING THE INTERNAL REVENUE SERVICE?

A YES.

Q AND ITS ABUSES.

A YES.

Q AND YOU AGREED WITH HIS ESTIMATES REGARDING THE INTERNAL REVENUE SERVICE.

A YES.

Q AND YOU HAD AGREED THAT WHAT WAS NEEDED WAS A CHANGE OF INTERNAL REVENUE SERVICE PRACTICES?

A YES.

Q AND DID THAT MOTIVATE YOU IN TERMS OF MAKING THAT LOAN?

A WELL, WHEN HE CALLED ME, TO BE VERY CANDID, VERY HONEST WITH YOU, IF HE NEEDED MONEY, WHETHER IT WAS FOR THE BOOK OR ANYTHING, I CONSIDERED THAT WHAT HE HAD ASSISTED ME IN IN THE PAST CERTAINLY WOULD JUSTIFY HELPING THE MAN. SO, CERTAINLY, THIS WAS IN MIND AT THE TIME, BECAUSE THAT'S WHAT HE SAID.

Q HE DIDN'T ASK YOU FOR $25,000 TO TAKE A VACATION AROUND THE WORLD, DID HE?

A NO, SIR.

Q HE TALKED SPECIFICALLY ABOUT THAT BOOK WHICH HE HAD GIVEN YOU A COPY OF.

A YES.

Q AND ABOUT ACHIEVING THE GOALS OF THAT BOOK, DIDN'T HE?

A YES.

Q O.K. DID HE ALSO DISCUSS WITH YOU AT THE TIME, MR. MCAFEE, THAT HE WAS INTENDING TO HAVE A NONPROFIT CORPORATION THAT WOULD BE INVOLVED IN DISTRIBUTING OR PROMOTING THAT BOOK?

A THE EXACT TERMINOLOGY -- TO ANSWER YOUR QUESTION, I BELIEVE THAT'S A FAIR STATEMENT. I DO RECALL HIM MENTIONING THAT HE HAD EITHER STARTED, WAS GOING TO START, AND THAT THERE WERE SOME PROBLEMS WITH GETTING A TRUSTEE, OR SOMETHING TO THAT

EFFECT. BUT I WAS OF THE IMPRESSION THAT THERE WAS SUCH AN ORGANIZATION -- OR WOULD BE SUCH AN ORGANIZATION; HOWEVER YOU WANT TO PUT IT.

Q AND YOU TOLD THAT, IN FACT, TO MR. WEINGARTEN AND MR. COLE WHEN YOU TESTIFIED BEFORE THE GRAND JURY, DIDN'T YOU? DO YOU RECALL THAT?

WELL, LET ME SHOW YOU YOUR GRAND JURY TESTIMONY.

THE COURT: WELL, THE QUESTION IS: DO YOU RECALL THAT? LET'S FIND OUT IF HE RECALLS IT, MR. LEWIN.

THE WITNESS: I MAY HAVE.

BY MR. LEWIN:

Q WELL, YOU WERE ASKED --

THE COURT: COULD WE HAVE A COPY, PLEASE, IF YOU HAVE ONE, COUNSEL?

BY MR. LEWIN:

Q THE BOTTOM OF PAGE 46 AND THE TOP OF PAGE 47 --

THE COURT: THANK YOU.

BY MR. LEWIN:

Q -- YOU WERE ASKED: "DID CONGRESSMAN HANSEN AT ALL MENTION TO YOU ANY KIND OF CORPORATE OR BUSINESS STRUCTURE THAT HE HAD SET UP FOR THE PROMOTION OF HIS BOOK?

"ANSWER: YES.

"QUESTION: AND DID HE SAY THAT THIS WAS A LOAN TO THAT CORPORATE OR BUSINESS STRUCTURE?"

"SPECIFICALLY, I DON'T REMEMBER.

"QUESTION: DID HE TELL YOU THE NAME OF THE CORPORATE BUSINESS STRUCTURE?

"ANSWER: THE ONLY THING I REMEMBER ABOUT THAT, HE INDICATED THAT HE HAD HAD SOME PROBLEMS WITH ONE OF THE TRUSTEES. I'M NOT SURE WHETHER THE TRUSTEE -- I JUST REMEMBER THAT HE HAD A PROBLEM, BECAUSE I WAS INQUISITIVE ABOUT, YOU KNOW, EXACTLY WHY HE WANTED THE MONEY. AND I JUST REMEMBER THAT HE COMMENTED ABOUT SOMETHING--NONPROFIT SOMETHING OR OTHER, THAT HE HAD HAD TO LET GO OR THEY HAD TO LET GO, OR THE DIRECTOR OR TRUSTEE OR SOMETHING. THAT'S ALL I CAN REMEMBER ABOUT IT."

THEN YOU WERE ASKED AT THE BOTTOM OF THAT PAGE --

MR. WEINGARTEN: EXCUSE ME, YOUR HONOR. THIS ISN'T THE PROPER PROCEDURE TO REFRESH THE WITNESS' RECOLLECTION.

BY MR. LEWIN:

Q WELL, WERE YOU ASKED THOSE QUESTIONS AND DID YOU GIVE THOSE ANSWERS?

THE COURT: YES, MR. WEINGARTEN. I THINK THAT WE CAN NOW ASK IF THE WITNESS WAS ASKED THOSE QUESTIONS, DOES HE RECALL ANSWERING THEM, AND IS THERE ANYTHING THAT REFRESHES HIS MEMORY.

THE WITNESS: I'LL PUT IT THIS WAY: IF IT'S THERE, I'M SURE I SAID IT. I TALKED TO I BELIEVE MR. WEINGARTEN BEFORE I EVER WENT TO THE GRAND JURY. I MEAN ON AN OCCASION OTHER THAN THE DAY I WENT TO THE GRAND JURY, IF I REMEMBER

CORRECTLY. AND I'M SURE IF THAT'S THERE, I SAID IT.

BY MR. LEWIN:

Q AND AGAIN LET ME SHOW YOU AGAIN ON PAGE 73 OF THE TRANSCRIPT. YOU SAY IF IT'S THERE.

MR. LEWIN: MAY I JUST READ ONE QUESTION AND ANSWER?

THE COURT: WHY DON'T YOU COME UP HERE, MR. LEWIN, SO WE DON'T HAVE ANY DIFFICULTY IN THE FUTURE.

MR. MCAFEE, WOULD YOU STEP DOWN AGAIN FOR ONE MOMENT, PLEASE.

(AT THE BENCH)

THE COURT: MY THINKING, MR. LEWIN, IS I DON'T SEE ANYTHING DIFFERENT IN READING THIS THAN WHAT THE GENTLEMAN JUST TESTIFIED TO ON THE STAND. IS THERE SOMETHING --

MR. LEWIN: WELL, ON THE STAND HE WAS UNSURE ABOUT WHETHER -- AND WHAT I'M SAYING IS HERE IN THE GRAND JURY HE IS QUITE SURE. IF YOUR HONOR WILL LOOK AT PAGE 73 --

MR. WEINGARTEN: IF THAT'S THE CASE, THE PROCEDURE IS TO GIVE THE WITNESS THE GRAND JURY TESTIMONY SO HE CAN READ THE PAGE HIMSELF.

THE COURT: THAT IS GENERALLY WHAT IS DONE, MR. LEWIN, BECAUSE IN THE GRAND JURY TESTIMONY, A QUICK SKIMMING OF THIS INDICATES HE DOESN'T PRECISELY REMEMBER, EITHER.

MR. LEWIN: PAGE 73 I THINK IT IS QUITE PRECISE.

THE COURT: OH, PERHAPS SO. I HAVEN'T SEEN 73. LET'S SEE. WAS THE QUESTION AT LINE 9?

MR. LEWIN: YES. BEGINS AT LINE 9.

THE COURT: RIGHT. I DON'T KNOW WHETHER THAT IS TIED INTO THE SAME PERIOD OF TIME OR NOT, BUT HE DOES TALK ABOUT THE MARKETING OF THE BOOK. AND HE ASSUMED THAT IT WAS SOMETHING LIKE THE HERITAGE, AND HE UNDERSTOOD THAT IT WAS A NONPROFIT ORGANIZATION.

MR. LEWIN: BUT THAT'S QUITE DEFINITE, I THINK, MORE SO THAN HE IS ON THE STAND. AND THAT WAS BACK IN --

THE COURT: WHY DON'T YOU HAVE HIM READ IT AND SEE IF IT DOES REFRESH HIS RECOLLECTION WHILE HE HAS A CHANCE TO VISUALLY LOOK AT IT AND READ IT HIMSELF. PERHAPS YOU WILL SHOW HIM BOTH PLACES THAT YOU ARE REFERRING TO.

(END OF BENCH CONFERENCE)

BY MR. LEWIN:

Q MR. MCAFEE, IF I CAN JUST APPROACH YOU AND SHOW YOU THE QUESTION AND ANSWER THAT BEGINS AT LINE 9 OF PAGE 73 AND THE ANSWER THAT CONCLUDES AT LINE 20 AND ASK YOU WHETHER THAT REFRESHES YOUR RECOLLECTION AS TO WHETHER YOU DISTINCTLY TOLD THE GRAND JURY THAT YOU DID RECALL A NONPROFIT CORPORATION BEING DISCUSSED BY CONGRESSMAN HANSEN TO PROMOTE THE BOOK.

A YES, IT DOES.

Q SO, NOW, WAS THAT TRUE? WAS THAT ANSWER TRUE WHEN IT WAS GIVEN IN THE GRAND JURY?

A YES, IT WAS.

Q O.K. SO COULD YOU JUST TELL US NOW -- I WILL ASK YOU: DID CONGRESSMAN HANSEN DESCRIBE TO YOU AN ORGANIZATION, A NONPROFIT ORGANIZATION WHICH HE WAS INTENDING TO SET UP FOR THE PURPOSE OF CARRYING OUT THE EFFORTS THAT ARE DESCRIBED IN THIS BOOK?

A YES, SIR.

Q ALL RIGHT. THANK YOU. AND DID YOU GIVE HIM THE CHECKS FOR $25,000 AND $60,000 WITH THAT UNDERSTANDING IN MIND, THAT THERE WOULD BE AN ORGANIZATION THAT WOULD BE PROMOTING THIS BOOK?

A HE TOLD ME THAT, AND I --

Q THAT WAS PART OF YOUR TOTAL UNDERSTANDING WHEN YOU WROTE OUT THOSE CHECKS, WASN'T IT?

A YES, SIR.

Q O.K. IT WAS NOT YOUR UNDERSTANDING, AGAIN, THAT THIS WAS SOMETHING THAT HE WAS USING FOR SOME PLEASURE CRUISE OR PERSONAL --

A NO.

Q ALL RIGHT.

A I REMEMBER HIM SAYING THAT HE WANTED TO PROMOTE THE BOOK, THAT HE HAD AN ORGANIZATION, AND THAT WAS, YOU KNOW, THE REASON FOR THE FUNDS.

Q FINE.

NOW, WITH REGARD TO THAT $25.000 LOAN, THERE WAS SOME TESTIMONY BY YOU TODAY IN RESPONSE TO MR. WEINGARTEN'S

QUESTIONS CONCERNING THE TIMING OF THE REPAYMENT OF THE $25,000 LOAN. AND I BELIEVE MR. WEINGARTEN ASKED YOU WHETHER IT WASN'T TRUE THAT THE $25,000 LOAN WAS NOT REPAID UNTIL JUNE OF 1983. DO YOU RECALL THAT THIS MORNING?

A I DON'T THINK -- MAYBE I DID SAY THAT. BUT I THINK I SAID THAT I WAS TOLD BY THE BANK IN JUNE OF '83 --

Q RIGHT. AGAIN, YOU ARE BEING MORE PRECISE THAN I AM, MR. MCAFEE, SO YOU'RE RIGHT.

A I DON'T KNOW. MAYBE I DID SAY WHAT YOU SAID, BUT MY RECALL IS I GOT NOTIFICATION FROM THE BANK THAT IT HAD BEEN PAID IN JUNE OF '83.

Q RIGHT. I STAND CORRECTED.

MR. WEINGARTEN WAS ASKING YOU, HOWEVER, WHETHER IT WAS NOT A FACT THAT THE REPAYMENT WAS FIRST MADE AFTER THE INDICTMENT IN THIS CASE. AND YOU SAID, I BELIEVE, YOU DON'T KNOW WHEN THE INDICTMENT WAS.

A THAT'S CORRECT.

Q O.K. I WILL TELL YOU THAT THE INDICTMENT WAS IN APRIL OF 1983, O.K.? SO JUNE DOES COME OUT TO BE AFTER APRIL, IS THAT CORRECT?

A YES, SIR.

Q ALL RIGHT. I ASK YOU, HOWEVER, WHETHER IT IS NOT A FACT THAT PRIOR TO THE INDICTMENT IN THIS CASE, YOU WERE IN FACT ADVISED THAT COLLECTION PROCEEDINGS TO COLLECT ON THAT NOTE WERE GOING TO BE BEGUN BY THE BANK? DO YOU REMEMBER

THAT?

A COLLECTION PROCEEDINGS?

Q THAT'S RIGHT. THAT THE BANK WAS INTENDING TO PROCEED TO COLLECT ON THAT NOTE.

A THAT VERY WELL COULD BE TRUE.

Q WELL, LET ME SHOW YOU A DOCUMENT --

THE COURT: THE QUESTION IS: DO YOU REMEMBER THAT?

THE WITNESS: I THINK I DO, JUDGE. I MEAN I DON'T KNOW WHAT DATE IT WAS, BUT I DO RECALL THAT THE BANK WAS CALLING IN THE NOTE. I MEAN IF THAT'S WHAT YOU MEAN.

MR. LEWIN: ALL RIGHT.

YOUR HONOR, I DON'T HAVE COPIES OF THIS DOCUMENT, BECAUSE THIS MATTER JUST CAME UP THIS MORNING.

THE COURT: ALL RIGHT. IF YOU WILL JUST SHOW IT TO OTHER COUNSEL, THEN.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 13 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 13 WAS MARKED FOR IDENTIFICATION.)

BY MR. LEWIN:

Q I SHOW YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 13 FOR IDENTIFICATION, MR. MCAFEE, AND I ASK YOU WHETHER YOU RECOGNIZE THAT LETTER.

A YES.

Q COULD YOU DESCRIBE, IS THAT A LETTER FROM YOU TO

CONGRESSMAN HANSEN?

A YES, IT IS.

Q AND WHAT IS THE DATE OF THAT LETTER?

A MARCH THE 15TH, '83.

Q MARCH 15TH, '83. SO THAT'S BEFORE APRIL OF 1983, BEFORE THE INDICTMENT.

A YES.

Q ALL RIGHT. AND IT'S A LETTER THAT YOU WROTE TO CONGRESSMAN HANSEN.

A YES, IT IS.

MR. LEWIN: WE OFFER DEFENDANT'S EXHIBIT 13 IN EVIDENCE.

MR. WEINGARTEN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE, WITHOUT OBJECTION.

(DEFENDANT'S EXHIBIT NO. 13 WAS RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q AND WHAT IS ATTACHED TO IT, MR. MCAFEE?

A IT'S A STATEMENT OF INTEREST DUE, TO MYSELF, ODELL ROGERS, STATING, "THE ACCRUED INTEREST ON YOUR DEMAND NOTE TOTALING 25,000 WITH INTEREST AT THE RATE OF 20 PERCENT FROM 4/1/82 THROUGH 3/31/83 AMOUNTS TO $4,999.99. WE SHOULD APPRECIATE PAYMENT ON OR BEFORE 3/31/83."

Q O.K. AND COULD YOU READ THE LETTER THAT YOU WROTE CONGRESSMAN HANSEN ON MARCH WHATEVER IT WAS, 1983?

A "DEAR GEORGE: I AM ENCLOSING A STATEMENT FROM MINERS AND MERCHANTS BANK. AS I EXPLAINED TO YOU, DIFFERENCES HAVE ARISEN BETWEEN MR. ROGERS AND MYSELF. IN ADDITION TO THE ECONOMIC PLIGHT OF THE COAL BUSINESS, I AM UNABLE TO HANDLE THIS MATTER. IT IS ABSOLUTELY MANDATORY THAT SOME ARRANGEMENTS BE MADE WITHIN THE NEXT TWO TO THREE WEEKS."

Q IS IT FAIR TO SAY THAT THAT WAS A NOTIFICATION THAT YOU HAD RECEIVED FROM THE BANK THAT THAT NOTE WOULD HAVE TO BE PAID, AND YOU UNDERSTOOD OTHERWISE THERE MIGHT VERY WELL BE SOME LEGAL ACTION TAKEN?

A I CONSTRUED THIS AS A DEMAND FOR INTEREST PAYMENT.

Q ALL RIGHT.

A I MEAN THAT'S WHAT IT SAYS. AND I WOULD ASSUME THAT HAD THE INTEREST BEEN PAID, AGAIN -- I MEAN THAT'S AN ASSUMPTION ON MY PART RIGHT NOW.

Q O.K. UNTIL THAT TIME -- THAT LETTER SPEAKS OF DIFFERENCES BETWEEN YOURSELF AND MR. ROGERS.

A YES.

Q UNTIL THAT TIME, IS IT NOT A FACT THAT YOU HAD TOLD CONGRESSMAN HANSEN THAT TO YOUR UNDERSTANDING, THE NOTE COULD BE CONTINUED, SO LONG AS INTEREST WAS PAID?

A THAT WAS MY UNDERSTANDING.

Q AND YOU HAD SO COMMUNICATED THAT TO CONGRESSMAN HANSEN PRIOR TO MARCH OF 1983.

A I VERY LIKELY DID. I MEAN I DO RECALL TELLING HIM

THAT MR. ROGERS AND I HAD PARTED COMPANY AND THAT I WAS CERTAINLY NOT IN CONTROL OF WHAT HE MAY OR MAY NOT WANT TO DO.

Q AND IN FACT, THE LAWSUIT THAT WAS ULTIMATELY BROUGHT AFTER THE INDICTMENT WAS A LAWSUIT THAT WAS BROUGHT BY MR. ROGERS WITHOUT YOUR CONSENT.

A WELL, THERE IS A DIFFERENCE OF OPINION ON THAT. SOME SAY I CONSENTED; SOME SAY I DIDN'T.

THE COURT: WHAT DO YOU SAY, SIR? THE QUESTION WAS ASKED OF YOU.

THE WITNESS: I REALLY DON'T RECALL CONSENTING TO IT, BECAUSE I DO REMEMBER MR. -- THE CONGRESSMAN'S ADMINISTRA~~TI~~VE ASSISTANT, NOT MCKNIGHT, BUT --

BY MR. LEWIN:

Q MCKENNA.

A MCKENNA.

Q YES, SIR.

A -- TELLING ME THAT THEY WERE GOING TO SATISFY THIS MATTER WITHIN 30 TO 60 DAYS. THEN MR. MCKENNA CALLED ME AND SAID, "WHY ARE YOU SUING ME", OR WORDS TO THAT EFFECT. I SAID THAT I DIDN'T KNOW THAT I WAS.

Q YOU DIDN'T KNOW THAT A SUIT HAD BEEN BROUGHT.

A NO, I REALLY DIDN'T.

Q O.K. WITH REGARD TO THAT NOTE, THE $25,000 NOTE AND THE $60,000 NOTE, IT'S A FACT, ISN'T IT, MR. MCAFEE, THAT YOU DIDN'T SPECIFICALLY TELL CONGRESSMAN HANSEN THAT THAT

NOTE WAS GOING TO BE USED WITH A BANK?

A I DON'T KNOW WHAT I TOLD HIM, REALLY, ABOUT THE NOTE.

Q YOU MAY NOT HAVE TOLD HIM ANYTHING LIKE THAT AT ALL. HE MAY JUST SIMPLY HAVE THOUGHT THE NOTE WOULD GO TO YOU AND WOULD STAY WITH YOU UNTIL IT WOULD BE PAID.

A IT COULD HAVE BEEN EITHER WAY.

Q O.K. IT IS ALSO A FACT, ISN'T IT, THAT THAT $25,000 LOAN, HE INDICATED TO YOU THAT FOR PURPOSES OF PROMOTING THE BOOK, HE NEEDED MORE THAN 25,000, BUT ALL THAT YOU WERE PREPARED TO GIVE HIM IN JULY WAS 25,000? MAYBE THAT QUESTION IS ALL TOO COMPLICATED.

WITH REGARD TO THE $25,000 LOAN, DIDN'T CONGRESSMAN HANSEN INDICATE TO YOU IN JULY THAT HE NEEDED MORE THAN 25,000 FOR THAT PURPOSE?

A YES. IN THE VERY BEGINNING, YES.

Q AND YOU JUST TOLD HIM, "LOOK, ALL I COULD GIVE YOU AT THE PRESENT TIME FOR THIS PURPOSE OF PROMOTING THE BOOK AND THE ORGANIZATION IS 25,000."

A IF I RECALL CORRECTLY, I TOLD HIM THAT I HAD A BUSINESS PARTNER AND THAT I WOULD CONSULT WITH HIM AND SEE IF WE COULDN'T ASSIST IN THE 25,000. I BELIEVE THAT'S CORRECT.

Q BUT MY POINT IS THAT HE INDICATED TO YOU THAT HE NEEDED MORE THAN THAT, AND YOU SAID --

A AS MY MEMORY SERVES ME, I THINK THAT'S CORRECT.

Q WELL, IF YOU HAVE SOME DOUBT, LET ME SHOW YOU PAGE 26

OF YOUR GRAND JURY TRANSCRIPT, LINES 5 THROUGH 11.

A 5 THROUGH 11?

Q YES.

A YES, SIR.

Q NOW, HAVING READ THAT, DOES THAT REFRESH YOUR RECOLLECTION THAT IN FACT, CONGRESSMAN HANSEN INDICATED TO YOU THAT FOR THE PROJECT FOR WHICH HE WAS SOLICITING YOUR ASSISTANCE, HE WOULD NEED SUBSTANTIALLY MORE THAN $25,000, BUT YOU SAID, "ALL I CAN HANDLE IS 25,000 AT THE PRESENT TIME"?

A THAT'S CORRECT.

Q AND A MONTH THEREAFTER, OR LESS -- APPROXIMATELY A MONTH THEREAFTER, HE INDICATED TO YOU AGAIN THAT HE DID NEED ADDITIONAL FUNDS, AND AT THAT POINT YOU WERE IN A POSITION TO MAKE THAT $60,000 LOAN -- OR TO APPROVE THE WRITING OF THE CHECK ON THE $60,000 LOAN.

A I AM ASSUMING THAT'S CORRECT.

Q WELL, YOU DID APPROVE --

A THE LOAN WAS MADE.

Q THE LOAN WAS MADE THE SECOND TIME. ALL RIGHT.

NOW, THERE HAS BEEN SOME TESTIMONY ON YOUR DIRECT EXAMINATION ABOUT MATTERS HAVING TO DO WITH THIS HYDROGEN CAR AND A VISIT THAT YOU MADE TO THE SECRETARY OF THE ARMY. YOU RECALL THAT MR. WEINGARTEN INQUIRED AS TO THAT.

A YES, I DO.

Q O.K. NOW, LET ME ASK YOU FIRST, IN THAT REGARD, MR. MCAFEE, IS THERE THE SLIGHTEST -- THE SLIGHTEST POSSIBILITY WHATEVER THAT THERE WAS ANY CAUSAL RELATIONSHIP IN YOUR MIND BETWEEN THE MEETING WITH THE SECRETARY OF THE ARMY OR CONGRESSMAN HANSEN'S REQUEST THAT THERE BE SUCH A MEETING AND EITHER OF THESE LOANS?

A IN MY MIND, THERE IS ABSOLUTELY, UNEQUIVOCALLY, IN MY OPINION, AND IN MY FEELINGS, THAT THIS HAD NOTHING TO DO WITH THE HYDROGEN CAR.

Q AND WITH THE MEETING WITH THE SECRETARY OF THE ARMY.

A AND THE SECRETARY OF THE ARMY, OR ANY OTHER MEETINGS THAT -- ANYTHING.

Q HOW WOULD YOU COMPARE THE MATTER OF THE SETTING UP THIS MEETING WITH THE SECRETARY OF THE ARMY WITH THE VARIOUS THINGS THAT YOU HAVE PREVIOUSLY DESCRIBED THAT CONGRESSMAN HANSEN DID FOR YOU, IN TERMS OF IMPORTANCE, IN TERMS OF EFFORT? WAS IT AT ALL COMPARABLE?

WELL, YOU MEAN IN REGARD TO THE IRANIAN MATTER?

Q YES.

A WELL, IN MY OPINION, IT WAS MORE IMPORTANT IN THE IRANIAN MATTER THAN ANY OF THIS.

Q OF COURSE. AND CONGRESSMAN HANSEN ASKED YOU FOR NOTHING IN CONNECTION WITH THE IRANIAN MATTER.

A NOTHING.

Q LET'S GO TO THE MEETING WITH THE SECRETARY OF THE

ARMY. DID YOU KNOW THE SECRETARY OF THE ARMY BEFORE YOU WENT TO MEET HIM?

A YES, I DID.

Q AND HOW DID YOU KNOW HIM?

A WELL, OF COURSE, HE WAS A CONGRESSMAN, I THINK, FROM EITHER THE SIXTH DISTRICT OR -- OF VIRGINIA AT ONE TIME. HE WAS ALSO COUNSEL FOR VICE PRESIDENT FORD WHEN HE WAS VICE PRESIDENT. THEN HE ASSUMED THE SAME ROLE AS COUNSEL TO THE PRESIDENT. AND I MET HIM FIRST AS COUNSEL FOR PRESIDENT FORD. THEN LATER, HE GOT INTO PRIVATE PRACTICE IN D. C., AND I TALKED TO HIM AND MET HIM THEREAFTER.

Q IN YOUR VIEW, COULD YOU HAVE CALLED UP THE SECRETARY OF THE ARMY AND ARRANGED AN APPOINTMENT?

A I'M SURE I COULD HAVE.

Q DID YOU HAVE OTHER CONGRESSMEN YOU KNEW WHO COULD HAVE ARRANGED AN APPOINTMENT WITH THE SECRETARY OF THE ARMY?

A I DID.

Q WHY DID YOU HAPPEN TO CHOOSE CONGRESSMAN HANSEN TO MAKE THAT CALL?

A I DON'T KNOW. YOU KNOW, AS A RESULT OF THE IRANIAN INCIDENT, I HAD DEVELOPED A FRIENDLY RELATIONSHIP WITH GEORGE HANSEN, AND I DON'T KNOW; I JUST DID.

Q IT SEEMED A VERY --

A I CONSIDERED HIM A FRIEND OF MINE, AND, YOU KNOW, HE CERTAINLY HAD BEEN MORE THAN CONSIDERATE AND COMPASSIONATE

TO ME IN TIMES OF TROUBLE, AND I -- THERE'S NO SPECIFIC REASON, REALLY.

Q DID YOU HAVE ANY FEAR THAT THE SECRETARY OF THE ARMY WOULD REFUSE TO SEE YOU IF YOU SIMPLY CALLED UP OR HAD SOME OTHER CONGRESSMAN CALL UP?

/ A NO.

Q IT WAS PURELY A MINISTERIAL MATTER. IT WOULD BE EASIER AND FACILITATE THINGS SOMEWHAT IF A CONGRESSMAN CALLED UP AND SAID, "LOOK, WILL YOU MEET THESE FOLKS TO TALK ABOUT IT." IS THAT A FAIR STATEMENT?

A I WOULD SAY THAT'S FAIR.

Q O.K. NOW, WITH REGARD TO THE MEETING ITSELF, IT'S A FACT, IS IT NOT, THAT CONGRESSMAN HANSEN DIDN'T STAY FOR THAT MEETING?

A NO, HE DID NOT. NOR DID THE SECRETARY.

Q NOR DID THE SECRETARY.

A WELL, IF YOU CALL MEETING THE SUBSTANCE OF THE MEETING.

Q O.K.

A THERE WAS, YOU KNOW, "HELLO, HOW ARE YOU, WHAT'VE YOU BEEN DOING," AND INTRODUCED ME TO THIS OTHER FELLOW.

Q AND CONGRESSMAN HANSEN LEFT IMMEDIATELY.

A YES.

Q O.K.

A AND MR. MARSH DID, TOO.

Q AND MR. MARSH DID, TOO. AND YOU WERE LEFT WITH MR. MEADE AND THE UNDERSECRETARY OF THE ARMY TO DISCUSS THIS MATTER, WHETHER SOMEBODY WAS GOING TO BE PERMITTED TO GO AT YOUR EXPENSE TO AUSTRALIA TO LOOK AT THIS CAR.

A I ASSUME HE WAS AN UNDERSECRETARY. I REALLY DON'T KNOW.

Q SOME ASSISTANT OF THE SECRETARY.

A YES.

Q WAS IT MADE CLEAR TO EVERYBODY THAT YOU HAD A COMMERCIAL INTEREST IN THIS CAR?

A OH, I ASSUMED THAT IT WAS.

Q SO NOBODY WAS CONCEALING ANYTHING FROM THE ASSISTANT TO THE SECRETARY OF THE ARMY WITH REGARD TO WHO WAS INVOLVED WITH THE CAR AND WHAT YOUR INTERESTS WERE.

A WELL, I DIDN'T TRY TO CONCEAL ANYTHING. I THINK I REITERATED -- NOT REITERATED, BUT -- I'M NOT SURE WHETHER WE DISCUSSED THIS UNITED COAL COMPANY INTEREST IN IT. I MEAN THERE WAS NO EFFORT ON MY PART TO TRY TO CONCEAL ANYTHING, IF THAT'S WHAT YOU'RE ASKING ME.

Q RIGHT. NOR, TO YOUR KNOWLEDGE, AN EFFORT BY ANYBODY ELSE AT THAT MEETING TO CONCEAL ANYTHING --

A NO, SIR.

Q -- WITH REGARD TO THAT CAR. IT WAS SIMPLY A DISCUSSION WITH GOVERNMENT OFFICIALS TO SEE WHETHER THEY WOULD RELEASE A COUPLE OF SCIENTISTS TO FLY, AT YOUR EXPENSE, TO

AUSTRALIA TO EXAMINE THAT CAR.

A YES.

Q AND IT WAS SIMPLY DISCUSSED ON THE MERITS, WHETHER IT WOULD BE SENSIBLE FOR THE GOVERNMENT TO DO THAT.

A YES. I WON'T SAY SENSIBLE. I THINK THE GENTLEMAN I SPOKE WITH WAS HIGHLY SKEPTICAL OF THE ABILITY TO DO WHAT THIS MAN HAD SAID HE CAN DO.

Q SO YOU SPENT MOST OF YOUR TIME TALKING, OR WHOEVER IT WAS WHO WAS DISCUSSING IT SPENT MOST OF THE TIME TRYING TO PERSUADE HIM THAT THERE WAS SOME POSSIBILITY THAT THIS CAR REALLY WORKED.

A WELL, I DIDN'T KNOW WHETHER IT WORKED OR NOT. THAT WAS EXACTLY WHAT I WAS TRYING TO FIND OUT.

Q RIGHT. BUT IN TERMS OF OVERCOMING THAT SKEPTICISM, SOMEBODY AT THE MEETING WAS TRYING TO PERSUADE HIM THAT, WELL, THERE'S ENOUGH OF A POSSIBILITY, YOU OUGHT TO SEND FOLKS OVER TO SEE IT.

A YES. I THINK I MAY HAVE -- AT SOME POINT IN TIME, WHAT THEY CALL THE PREMIER OF QUEENSLAND'S NAME CAME UP, AND IT WAS MY UNDERSTANDING THAT HE -- HE'S, I ASSUME, COMPARABLE TO A GOVERNOR OF ONE OF OUR STATES -- HAD DISCUSSED THIS WITH OUR AMBASSADOR THERE, AND THAT THERE WAS SOME OFFICIALS, HIGH-RANKING OFFICIALS IN THE AUSTRALIAN GOVERNMENT WAS ALSO INTERESTED IN, NATURALLY, DEVELOPING THIS.

Q ALL RIGHT. AND THEN YOU SAY AFTER THAT MEETING, YOU LOST -- WELL, I DON'T KNOW WHETHER YOU LOST INTEREST TOTALLY, BUT YOU WERE NO LONGER AS PERSUADED THAT THIS COULD WORK?

A WELL, LET'S PUT IT THIS WAY: MY INTEREST WANED CONSIDERABLY. I MEAN, NATURALLY, I WAS INTERESTED IN SEEING -- THIS FELLOW SAID HE HAD A CAR THAT WOULD RUN ON HYDROGEN, AND I WANTED TO SEE IT. I DON'T THINK ANYBODY WOULD NOT WANT TO SEE IT. BUT, AGAIN, THE RUNNING OF THE CAR, THERE HAD BEEN SOME PUBLICITY IN AUSTRALIA WHERE THIS MAN HAD TRIED THIS CAR OUT THERE AND HAD DRIVEN IT, AND, OBVIOUSLY, YOU KNOW, I WOULD HAVE LIKED TO HAVE SEEN IT.

Q SO YOU DID GO OVER TO AUSTRALIA TO SEE THAT.

A WELL, THE TRIPS TO AUSTRALIA WERE TWO-FOLD. MR. MEADE HAD ANOTHER PROBLEM, TOTALLY UNRELATED TO THE HYDROGEN CAR. HE HAD BOUGHT INTO SOME PROPERTY THERE, AND THE PROPERTY HAD BEEN IN BANKRUPTCY AND WHATEVER, AND HE HAD HAD ANOTHER U. S. ATTORNEY, AN AMERICAN LAWYER, GO OVER WHEN HE BOUGHT IT AND THEY DEVELOPED SOME PROBLEMS, AND HE WANTED ME TO TRY TO STRAIGHTEN THAT OUT FOR HIM. IT WAS A TWO-FOLD TRIP.

Q I SEE. O.K.

NOW, WITH REGARD TO THESE LOANS, ANOTHER MATTER, MR. MCAFEE, YOU HAVE, IN FACT, LENT MONEY TO OTHER PEOPLE WITHOUT ANY SECURITY OTHER THAN THEIR PERSONAL NOTES, HAVE YOU NOT, OTHER FRIENDS OR BUSINESS ASSOCIATES?

A YES.

Q WHOM YOU HAVE ASSISTED WHEN THEY NEEDED A LOAN FOR SOME PURPOSE, BUSINESS OR OTHER PURPOSE?

A YES. AND BORROWED SOME, TOO.

Q AND YOU BORROWED SOME. O.K.

NOW, LET ME ASK YOU, MR. MCAFEE, WHETHER YOU HAVE EVER REQUESTED FROM CONGRESSMAN HANSEN ANY OFFICIAL ACTION IN RETURN FOR ANYTHING OF VALUE.

A NOT THAT I EVER RECALL. I MEAN I JUST -- WHEN YOU SAY OFFICIAL, I ASKED THAT HE MAKE THE APPOINTMENT. IN MY OWN MIND, I DON'T CONSIDER THAT OFFICIAL, ALTHOUGH HE'S A CONGRESSMAN. BUT IF THAT'S WHAT YOU HAVE REFERENCE TO, I DON'T KNOW WHETHER THAT'S OFFICIAL OR NOT.

Q AS A MATTER OF FACT, I AM ASKING YOU EXACTLY -- IN THE LANGUAGE EXACTLY AS IT WAS ASKED IN THE GRAND JURY: HAVE YOU EVER REQUESTED FROM CONGRESSMAN HANSEN ANY OFFICIAL ACTION IN RETURN FOR ANYTHING OF VALUE? DO YOU HAVE ANY DOUBT ABOUT THAT?

A NO.

Q HAS CONGRESSMAN HANSEN EVER REQUESTED FROM YOU A THING OF VALUE IN RETURN FOR ANY OFFICIAL ACTION ON HIS PART?

A NO.

Q DID CONGRESSMAN HANSEN ASK YOU FOR ANYTHING IN RETURN FOR SETTING UP THE APPOINTMENT WITH SECRETARY MARSH?

A NO.

Q DID YOU OFFER ANYTHING TO HIM IN RETURN FOR SETTING

UP THAT APPOINTMENT?

A NO.

Q ARE YOU AWARE OF ANYONE EVER HAVING GIVEN CONGRESSMAN HANSEN ANYTHING IN RETURN FOR HIS OFFICIAL DUTIES?

A NO.

Q ARE YOU AWARE OF CONGRESSMAN HANSEN EVER HAVING ASKED ANYONE FOR ANYTHING IN RETURN FOR HIS OFFICIAL DUTIES?

A NO.

Q MR. MCAFEE, IN THE COURSE OF THESE FEW YEARS SINCE YOU'VE GOTTEN TO KNOW CONGRESSMAN HANSEN, HAVE YOU DISCUSSED HIM AND HIS REPUTATION WITH OTHER PEOPLE WHO YOU KNOW?

A YES.

Q WITH OTHER LAWYERS?

A I DON'T KNOW WHETHER I HAVE DISCUSSED IT WITH OTHER LAWYERS OR NOT.

Q OTHER PEOPLE IN GOVERNMENT?

A YES.

Q PEOPLE IN WASHINGTON AND VIRGINIA --

A IN WASHINGTON, PRIMARILY.

Q O.K. AND HAVE YOU, AS A RESULT OF ALL THESE DISCUSSIONS, BEEN ABLE TO FORM A CONCLUSION CONCERNING HIS REPUTATION FOR TRUTH AND VERACITY?

A FROM WHAT I'VE BEEN TOLD, IT'S VERY GOOD.

Q FROM WHAT YOU'VE BEEN TOLD.

A IT'S VERY GOOD.

Q AND WHAT IS HIS REPUTATION? I'M SORRY.

A I SAID FROM WHAT I'VE BEEN TOLD, IT'S VERY GOOD.

Q FOR TRUTH AND VERACITY, FOR HONESTY.

A YES.

Q THE MAN TELLS THE TRUTH.

A YES.

Q AND PEOPLE HAVE TOLD YOU THAT.

A YES.

MR. LEWIN: THANK YOU.

THE COURT: REDIRECT.

REDIRECT EXAMINATION

BY MR. WEINGARTEN:

Q MR. MCAFEE, A NUMBER OF QUESTIONS WERE POSED TO YOU ABOUT YOUR MOTIVATION IN MAKING THESE LOANS. I THOUGHT IT WAS YOUR TESTIMONY FRIDAY THAT YOU DIDN'T REMEMBER THE $60,000 LOAN.

A I REALLY DON'T.

Q SO IF YOU DON'T REMEMBER THE LOAN, HOW CAN YOU TESTIFY AS TO YOUR MOTIVATION IN MAKING THE LOAN?

MR. LEWIN: YOUR HONOR, HE IS SIMPLY ARGUING WITH THE WITNESS.

THE COURT: NO, HE CAN ASK THIS QUESTION ON REDIRECT, SIR.

THE WITNESS: WELL, THE ONLY THING THAT I RECALL PERTAINING TO LOAN AND/OR LOANS IS THAT IT WAS FOR THE PURPOSES

OF PROMOTING A BOOK.

BY MR. WEINGARTEN:

Q O.K. THAT'S JUST A GENERAL ANSWER. BUT YOU HAVE NO RECOLLECTION OF THE $60,000 LOAN.

A NO, I DO NOT.

Q ALL RIGHT. MR. MCAFEE, DEFENSE EXHIBIT 13 IS A LETTER FROM YOU TO CONGRESSMAN HANSEN RELATING TO COLLECTION OF THE $25,000 NOTE. IS THAT CORRECT?

A YES, SIR.

Q AND THE LETTER IS DIRECTED TO GEORGE HANSEN; NOT TO A NONPROFIT ORGANIZATION. IS THAT CORRECT?

A I'M SURE IT IS.

Q AND THE NOTES THEMSELVES WERE SIGNED BY CONGRESSMAN HANSEN, OR A NONPROFIT ORGANIZATION?

A THEY WERE -- I'M SURE -- I MEAN THE NOTES THAT YOU SHOWED ME CERTAINLY WERE BY GEORGE HANSEN.

Q AND THE CHECKS THAT WERE WRITTEN OUT, WERE THEY MADE OUT TO GEORGE HANSEN OR TO A NONPROFIT ORGANIZATION?

A GEORGE HANSEN.

Q AND WHEN YOU LOOKED FOR REPAYMENTS THERE, DID YOU LOOK TO GEORGE HANSEN OR A NONPROFIT CORPORATION?

A GEORGE HANSEN.

Q NOW, SIR, ON CROSS-EXAMINATION YOU WERE ASKED SOME QUESTIONS ABOUT HELPING CONGRESSMAN HANSEN. IN FACT, SIR, IT WAS NOT YOUR $85,000 THAT WENT TO CONGRESSMAN HANSEN; IT WAS

JOHN MEADE'S BANK. IS THAT NOT TRUE, SIR? THE $85,000 THAT WOUND UP IN GEORGE HANSEN'S HANDS AS REPRESENTED BY THIS CHART, 25 PLUS 60, IN EFFECT WAS MONEY FROM THE MINERS AND MERCHANT BANK. IS THAT NOT TRUE?

A WELL, IT WAS ON MY CHECK. LET'S PUT IT THAT WAY.

Q AND YOU WENT RIGHT TO THE BANK, OR HAD SOMEONE GO RIGHT TO THE BANK AFTER MAKING THOSE LOANS AND REPLACED THE MONEY IN YOUR ACCOUNT WITH MINERS AND MERCHANT'S MONEY, AND THEN MINERS AND MERCHANT BECAME THE RECIPIENT OF THE NOTES TO GEORGE HANSEN. ISN'T THAT TRUE, SIR?

A WELL, AS I TOLD YOU BEFORE AND I'LL TELL YOU AGAIN: THE CHECKS WERE WRITTEN, THE NOTES WERE PUT IN THE BANK. ONE NOTE WAS BY ME, ONE WAS BY ODELL AND MYSELF. FUNDS WERE TRANSFERRED, ACCORDING TO THOSE RECORDS, EITHER DIRECTLY TO ME FROM THE BANK OR THROUGH TO ODELL ROGERS AND THEN TO ME.

Q WELL, SO THE $85,000 FROM YOUR ACCOUNT WAS IMMEDIATELY REPLACED BY MINERS AND MERCHANT MONEY.

A IF YOU WANT TO SAY SO.

Q WELL, DON'T YOU SAY SO, SIR?

A WELL, ONE OF THE NOTES APPARENTLY WAS TWO WEEKS AFTER -- AND I JUST NOTICED IT THE OTHER DAY -- WAS TWO WEEKS AFTER THE ORIGINAL CHECK, I BELIEVE. SO I DON'T KNOW THE MECHANICS OF WHAT DID TRANSPIRE IN THAT.

Q ALL RIGHT. MR. MCAFEE, YOU TESTIFIED, I BELIEVE, ON CROSS THAT AFTER YOUR MEETING AT THE PENTAGON, YOU LOST

INTEREST IN THE HYDROGEN CAR?

A NO. I SAID MY INTEREST WANED.

Q WELL, IT DIDN'T WANE ENOUGH TO PREVENT YOU FROM GOING TO AUSTRALIA TWICE, DID IT?

A NO. I WENT TO AUSTRALIA TWICE.

Q AND YOU WENT ON AUGUST THE 14TH, THE DAY THE $60,000 LOAN WAS SIGNED; IS THAT NOT CORRECT, SIR?

A I THINK YOU KNOW AS WELL AS I DO THAT I'VE TOLD YOU ONCE, I DON'T RECALL SPECIFICALLY WHEN I LEFT. I THINK YOU HAVE COPIES OF MY AIRLINE TICKETS. IF THAT'S WHAT IT SAYS, THAT'S WHAT IT SAYS.

Q AND HOW ABOUT IN OCTOBER, TWO MONTHS AFTER AUGUST. WERE YOU NOT DISCUSSING WITH MR. HORVATH THE PURCHASE OF THE RIGHTS FOR THE HYDROGEN CAR FROM THE ORGANIZATION CALLED JAGABI LIMITED?

A I HAD A MEETING WITH MR. HORVATH IN WHICH HE WAS TRYING TO SELL STOCK IN A CORPORATION, THE NAME OF WHICH I DON'T RECALL.

Q WELL, YOU WERE IN AUSTRALIA DISCUSSING PURCHASE OF THAT STOCK, AND THAT RELATED TO THE WATER CAR; AND THAT WAS IN OCTOBER OF '81, WAS IT NOT?

A I'M SURE IF THAT'S WHEN I WAS THERE, THAT'S WHEN IT OCCURRED.

Q SO IT'S FAIR TO SAY, SIR, EVEN THOUGH THE ARMY TOLD YOU IN JULY THAT THE WATER CAR WAS NOT LIKELY TO BE A SUCCESS, YOU PURSUED IT VIGOROUSLY THEREAFTER.

A THAT'S NOT CORRECT.

Q GOING TO AUSTRALIA TWICE AND OFFERING SCIENTISTS A FREE TRIP TO AUSTRALIA IS NOT PURSUING IT VIGOROUSLY, SIR?

A AS A MATTER OF FACT, THE SECOND TRIP THAT I WENT TO AUSTRALIA WAS ONLY INDIRECTLY INVOLVED IN, IF YOU WANT TO CALL IT, THE WATER CAR. THE SECOND TRIP WAS WITH MR. MEADE'S SON AND HIS SON-IN-LAW. AND THE PRIMARY PURPOSE FOR THAT TRIP WAS TO CLEAN UP AND TO STRAIGHTEN OUT SOME LEGAL AFFAIRS PERTAINING TO SOME PROPERTY THAT MR. MEADE HAD PURCHASED. AND, AS A MATTER OF FACT, WE LEFT HIS SON-IN-LAW THERE AND CONFERRED PRIMARILY WITH ATTORNEYS WHO WERE INVOLVED IN HIS PURCHASE OF THE PROPERTY THERE.

IT WAS ONLY SECONDARY, IF YOU WILL, THAT EVEN HORVATH BECAME INVOLVED IN THAT TRIP.

Q MR. MCAFEE, YOU WERE ASKED IF THERE WAS A CONNECTION BETWEEN THE $25,000 LOAN OR THE $85,000 IN LOANS AND ANY OFFICIAL FAVORS FROM CONGRESSMAN HANSEN. IS THAT CORRECT? YOU WERE ASKED BY MR. LEWIN.

A YES.

Q AND, OF COURSE, IF YOU SAID YES, THERE WAS A CONNECTION, YOU KNOW YOU WOULD BE ADMITTING TO BRIBERY. IS THAT NOT TRUE?

A I ASSUME SO.

Q AND IS IT JUST A COINCIDENCE, SIR, THAT THE VERY

SAME DAY THAT YOU HAD THE MEETING AT THE PENTAGON, THE $25,000 CHECK TO GEORGE HANSEN WAS CASHED IN A WASHINGTON BANK?

A IF YOU SAY SO.

Q IS IT JUST A COINCIDENCE?

A I DON'T KNOW.

Q ISN'T IT A FACT, SIR, THAT YOU HANDED CONGRESSMAN HANSEN THIS CHECK, THE $25,000 CHECK MARKED GOVERNMENT EXHIBIT 42, THE DAY YOU CAME UP FOR YOUR MEETING WITH THE SECRETARY OF THE ARMY?

A NO. THAT IS NOT TRUE.

Q AND YOU DON'T KNOW, SIR, THAT THE SAME DAY OF THE MEETING, THAT CHECK WAS CASHED. THAT'S NEWS TO YOU?

A NO, I DON'T.

MR. WEINGARTEN: THANK YOU, SIR.

THE COURT: ANYTHING FURTHER AS FAR AS THIS WITNESS IS CONCERNED? MR. MCAFEE, YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED. GOOD DAY.

WE WILL TAKE A FIVE MINUTE RECESS, LADIES AND GENTLEMEN. LADIES AND GENTLEMEN OF THE JURY, PLEASE REMEMBER THE CONTINUING ADMONITION NOT TO DISCUSS THE CASE.

(FIVE-MINUTE RECESS TAKEN AT 11:30 A.M.)

AFTER RECESS:

THE COURT: MR. COLE, ARE YOU READY FOR THE JURY TO COME IN?

MR. COLE: YES, YOUR HONOR.

THE COURT: BRING IN THE JURY.

(WHEREUPON, AT 11:40, THE JURY ENTERS.)

THE COURT. WHO WILL BE OUR NEXT WITNESS, MR. COLE?

MR. COLE: YVONNE JONES.

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, WE SHALL RESUME WITH THE TESTIMONY. HAVE A SEAT, PLEASE.

MR. COLE. YOUR HONOR, I AM NOTIFIED THAT THE GOVERNMENT HAS NOT, AT THIS TIME, MOVED TO ADMIT EXHIBITS 45 AND 46. WE WOULD AT THIS TIME MOVE TO ADMIT THOSE TWO EXHIBITS.

THE COURT: NO OBJECTION?

MR. LEWIN: I DON'T KNOW WHICH EXHIBITS THESE ARE.

MR. COLE: THE 60 THOUSAND DOLLARS NOTE SIGNED BY GEORGE HANSEN.

MR. LEWIN: NO OBJECTION.

THE COURT. THEY ARE IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBITS 45 AND 46 WERE ADMITTED INTO EVIDENCE.)

MR. COLE: THE GOVERNMENT'S NEXT WITNESS IS YVONNE JONES.

THE COURT: THANK YOU.

WHEREUPON,

GWENDOLYN YVONNE JONES

WITNESS, CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS.

THE COURT   GOOD MORNING, MS. JONES.

DIRECT EXAMINATION

BY MR. COLE:

Q. MS. JONES, WOULD YOU PLEASE STATE YOUR FULL NAME FOR THE JURY? AND PLEASE SPELL YOUR FIRST NAME?

A. GWENDOLYN YVONNE JONES. G W E N D O L Y N. MIDDLE NAME, Y V O N N E.

Q. HOW ARE YOU EMPLOYED?

A. AS A LEGAL STENOGRAPHER FOR KLINE, MCAFEE, AND ATKINS, LAW FIRM IN NORTON, VIRGINIA.

Q. WHERE IS NORTON, VIRGINIA?

Q SOUTHWESTERN TIP OF VIRGINIA.

Q. YOU SAY YOU WORK FOR THE LAW FIRM OF KLINE, MACAFEE, AND ATKINS?

A. THAT IS RIGHT.

Q. WHO IS THE MCAFEE IN THIS LAW FIRM?

A. CARL MCAFEE.

Q. IS THAT THE MCAFEE THAT WAS JUST IN THIS COURTROOM?

A. YES, SIR.

Q. HOW LONG HAVE YOU WORKED THERE?

A. 18 YEARS THIS COMING MONTH.

Q WHAT IS YOUR POSITION IN THAT LAW FIRM

A. AT THIS MOMENT, A FLOATING SECRETARY PRIMARILY ASSIGNED TO PATRICK KLINE, WHO IS AN ASSOCIATE.

Q. PRIOR TO THIS HAVE YOU HAD DUTIES WITH MR. MCAFEE?

A. I STILL DO FROM TIME TO TIME.

Q. DO YOU HAVE DUTIES RELATING IN A BUSINESS SENSE TO MR. MCAFEE?

A. PERSONALLY, DO YOU MEAN?

Q. IN A BUSINESS SENSE.

A. YES.

Q. HOW ABOUT PERSONALLY, DO YOU HAVE DUTIES WITH HIM IN THAT REGARD?

Q YES.

Q. WHAT ARE THOSE PERSONAL DUTIES YOU DO FOR MR. MCAFEE?

A. I MAINTAIN TWO OF HIS CHECKBOOKS, PAY SOME PERSONAL BILLS AND MAKE HIS DEPOSITS.

Q. YOU SAY TWO OF HIS CHECKBOOKS? WHAT ARE THE NAMES ON THOSE ACCOUNTS OF THOSE TWO CHECKBOOKS?

A. MCAFEE ENTERPRISES IS ONE; THE OTHER IS CARL E. MCAFEE.

Q. MCAFEE ENTERPRISES. IS THAT A CORPORATION?

A. YES.

Q. ARE YOU AWARE OF WHO THE DIRECTORS ARE IN THAT CORPORATION?

A. NO SIR, I DO NOT KNOW WHO THE DIRECTORS ARE.

Q. WERE YOU EVER A DIRECTOR OR OFFICER?

A. AT ONE TIME SEVERAL YEARS BACK, YES, SIR.

Q. AND WAS THIS WHILE YOU WERE ALSO A SECRETARY AT THE LAW FIRM?

A. YES.

Q. NOW, YOU SAY YOU TAKE CARE OF MR. MCAFEE'S CHECKBOOKS, WHAT DO YOU DO AS FAR AS TAKING CARE OF THOSE CHECKBOOKS?

A. HE PASSES DOWN HIS PERSONAL BILLS TO ME, SUCH AS CLOTHING BILLS, HIS UTILITIES, AND I JUST ROUTINELY PAY THEM.

Q. YOU WRITE THE CHECKS FOR THEM?

A. YES.

Q. DO YOU ROUTINELY WRITE CHECKS FOR HIM FOR THINGS OTHER THAN BILLS?

A. WHATEVER I AM INSTRUCTED TO WRITE, YES, SIR.

Q. AND HAS HE GIVEN YOU WHAT I GUESS WOULD BE KNOWN AS POWER OF ATTORNEY?

A. YES, SIR.

Q. OR PERMISSION TO SIGN HIS NAME ON THESE CHECKS?

A. YES, BECAUSE HE IS GONE SO MUCH OF THE TIME.

Q. IS THERE A WRITTEN DOCUMENT FOR THIS AUTHORITY?

A. NO, SIR.

Q. JUST VERBAL?

A. IT HAS JUST BEEN PRACTICED FOR THE LAST 15 OR 16 YEARS.

Q. DO YOU EVER WRITE CHECKS WITHOUT HIS INSTRUCTIONS?

A. NO, SIR.

Q. IT IS ALWAYS PURSUANT TO A SPECIFIC INSTRUCTION FOR HIM FOR A SPECIFIC CHECK?

A. WELL, IF MEMBERS OF HIS FAMILY COME UP AND WANT A CHECK, I NORMALLY GIVE THAT TO THEM.

Q. HOW ABOUT IF IT IS NOT A MEMBER OF THE FAMILY?

A. NOT UNLESS I CAN REACH HIM OR FEEL REASONABLY SURE I HAVE AUTHORIZATION FOR IT.

Q. AND THIS AUTHORIZATION THAT HE GIVES YOU IS WHO THE CHECKS SHOULD BE MADE OUT TO?

A. YES.

Q. THE AMOUNT OF THE CHECK?

A. YES.

Q. DOES HE EVER TELL YOU WHAT DATE TO PUT ON THE CHECK?

A. NO.

Q. YOU ALSO HAVE DUTIES TO SO FAR AS DEPOSITING MONEY INTO HIS ACCOUNT?

A. YES.

A. I WOULD LIKE TO SHOW YOU WHAT IS ALREADY IN EVIDENCE, GOVERNMENT'S EXHIBITS 42 AND 46. 42 IS A 25 THOUSAND DOLLAR CHECK DATED JULY 20, 1981, AND 46 IS A 60 THOUSAND DOLLAR CHECK DATED AUGUST 14, 1981 WOULD YOU LOOK AT THOSE. AND TELL THE JURY WHETHER OR NOT YOU WROTE THOSE CHECKS?

A. I WROTE BOTH CHECKS, AND I SIGNED HIS NAME TO BOTH CHECKS.

Q. AND COULD YOU TELL THEM WHO THE CHECKS ARE TO AND THE AMOUNTS?

A. JULY 20, IT IS TO GEORGE HANSEN FOR 25 THOUSAND

DOLLARS. ON AUGUST 14, 1981, GEORGE HANSEN FOR 60 THOUSAND DOLLARS.

Q. WHEN YOU WROTE THESE CHECKS, WERE THESE ON SPECIFIC INSTRUCTIONS FROM MR. MCAFEE?

A. I FEEL SURE THEY WERE.

Q. YOU FEEL SURE THEY WERE BUT YOU DON'T RECALL?

A. WELL, I CAN'T REMEMBER SPECIFICS, BUT I AM POSITIVE THAT THEY WERE.

Q. DO YOU RECALL ANY CONVERSATIONS YOU MIGHT HAVE HAD WITH MR. MCAFEE WHEN HE TOLD YOU ABOUT THESE CHECKS?

A. I VAGUELY RECALL A TELEPHONE CONVERSATION ON ONE OR THE OTHER OF THEM, BUT, AGAIN, I CAN'T TELL YOU SPECIFICS.

Q. ARE YOU AWARE AT ALL WHETHER OR NOT MR. MCAFEE WAS IN OR OUT OF TOWN WHEN HE MADE THAT TELEPHONE CALL TO YOU?

A. NO, I AM NOT BECAUSE HE IS VERY WELL KNOWN TO USE THE TELEPHONE. HE CAN GO TO WISE, AND CALL BACK IN 10 MINUTES. I WOULDN'T KNOW WHETHER HE WAS IN WISE TWO MILES AWAY, OR TWO HUNDRED MILES AWAY.

Q. MS. JONES, I WOULD LIKE TO SHOW YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 350, AND ASK YOU TO LOOK AT IT, IN PARTICULAR, THE SECOND PAGE.

A. YES, SIR.

Q. DO YOU RECOGNIZE THE SIGNATURE OR ENDORSEMENT ON THE SECOND PAGE? I KNOW IT IS NOT A VERY GOOD COPY.

A. NO, IT ISN'T. I REALLY COULDN'T SAY IF THAT IS HIS

SIGNATURE OR MINE. IT MAY BE ONE OR THE OTHER.

THE COURT: BY " HIS, " YOU MEAN MR. MCAFEE?

THE WITNESS: MR. MCAFEE, YES MA'AM.

BY MR. COLE:

Q. SO, YOU ARE NOT SURE WHOSE SIGNATURE THAT IS?

A. NO, I COULDN'T SAY FOR SURE.

Q. MISS JONES, THESE TWO CHECKS, THE 60, AND THE 25 THOUSAND DOLLARS. WOULD YOU SAY THOSE ARE FAIRLY LARGE CHECKS COMPARED TO THE CHECKS YOU USUALLY WRITE FOR MR. MCAFEE?

A. WELL, ON A DAY-TO-DAY BASIS. BUT THERE'S NOTHING TO PREEMPT IT FROM HAPPENING BECAUSE HE IS NOT A CREATURE OF HABIT.

Q DO YOU EVER REMEMBER WRITING CHECKS THAT LARGE BEFORE?

A. I AM SURE THAT I HAVE. MAYBE NOT 60 THOUSAND DOLLARS BUT AS HIGH AS 30.

MR. COLE: NO FURTHER QUESTIONS, AT THIS TIME, YOUR HONOR.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. MS. JONES, ARE THERE TIMES WHEN MR. MCAFEE WRITES OUT HIS OWN CHECKS?

A. OH, YES.

Q AND WITH REGARD TO THE CHECKS THAT YOU HAVE BEFORE YOU, THE 60 THOUSAND AND THE 25 THOUSAND CHECK DO YOU REMEMBER

WHETHER THOSE CHECKS WERE MAILED BY YOU TO ANY PARTICULAR ADDRESS?

A. I ASSUME THEY WERE. I AM SURE I DID NOT HAND-DELIVER THEM TO ANYONE, AND I ASSUME THAT I MAILED THEM.

Q. YOU ASSUME THAT YOU DID MAIL BOTH OF THOSE CHECKS?

A. RIGHT. BUT AGAIN I CANNOT SAY FOR SURE.

THE COURT: ANYTHING FURTHER AS FAR AS MS. JONES IS CONCERNED?

MR. COLE: JUST VERY BRIEFLY.

REDIRECT EXAMINATION

BY MR. COLE:

Q. ON THOSE CHECKS, YOU SAID YOU ASSUMED YOU MAILED THEM. YOU REALLY DON'T KNOW WHETHER YOU DID OR NOT?

A. I DON'T KNOW. I CAN'T SAY YES OR NO, BUT I WOULD THINK THAT I DID.

Q. WHY WOULD YOU THINK THAT YOU DID? YOU HAVE NO RECOLLECTION?

A. NO I JUST CAN'T SAY FOR SURE.

Q. YOU EVER WRITE CHECKS AND JUST HAND THEM TO MR. MCAFEE FOR HIM TO DO THINGS WITH THEM?

A. SOMETIMES I WOULD, AGAIN, THERE IS NO SET RULE.

MR. COLE: THANK YOU VERY MUCH.

RECROSS EXAMINATION

BY MR. LEWIN:

Q. BUT IF MR. MCAFEE WERE GOING SOMEWHERE AND WANTED TO

MAKE A PAYMENT OF A 25 THOUSAND DOLLARS CHECK, HE COULD WRITE OUT HIS OWN CHECKS FOR 25 THOUSAND?

A. OH SURE, HE DOES THAT OFTEN.

Q. HE FREQUENTLY DOES THAT, HE GOES SOME PLACE AND WRITES OUT A CHECK AND GIVES IT TO THE PERSON?

A. YOU MEAN WHILE HE IS OUT OF THE OFFICE?

Q. YES, SURE.

A. I DON'T KNOW HOW OFTEN THAT WOULD HAPPEN. HE COULD VERY WELL DO THAT.

Q. AND HE AT TIMES HAS WRITTEN OUT CHECKS AND THEN CARRIED THEM OUT OF TOWN?

A. OH, YES.

MR. LEWIN: THANK YOU.

MR. COLE: NOTHING FURTHER, YOUR HONOR. MAY THE WITNESS BE EXCUSED?

THE COURT: ALL RIGHT. MISS JONES YOU ARE EXCUSED AND WE ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS COMPLETED.

(WITNESS EXCUSED.)

MR. COLE: THE GOVERNMENT CALLS ITS NEXT WITNESS, ODELL ROGERS.

THE COURT: WE WILL GO UNTIL 25 MINUTES AFTER 12 AND THEN BREAK FOR LUNCH.

WHEREUPON

ODELL ROGERS

WITNESS, CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS.

THE COURT: GOOD MORNING, MR. ROGERS.

THE WITNESS: GOOD MORNING.

DIRECT EXAMINATION

BY MR. COLE:

Q. WOULD YOU STATE YOUR FULL NAME AND SPELL YOUR LAST?

A. ARTHUR ODELL ROGERS. R O G E R S.

Q. WHERE DO YOU LIVE?

A. PRESTONSBURG, KENTUCKY.

Q. HOW ARE YOU EMPLOYED, MR. ROGERS?

A. SELF-EMPLOYED.

Q. DO YOU OWN A COMPANY?

A. YES.

Q. WAS THE NAME OF THAT COMPANY?

A. REBEL COAL COMPANY.

Q. WHAT KIND OF BUSINESS IS THE REBEL COAL COMPANY IN?

A. STRIP MINING.

Q. HOW LONG HAVE YOU OWNED IT?

A. ' 72.

Q. WHERE IS THAT LOCATED?

A. PRESTONSBURG, KENTUCKY.

Q. IS THAT NEAR A TOWN CALLED AUXIER, KENTUCKY?

A. YES.

Q. DO YOU KNOW A GENTLEMEN BY THE NAME OF CARL MCAFEE?

A. YES.

Q. HOW DO YOU KNOW MR. MCAFEE?

A. HE WAS MY ATTORNEY AT ONE TIME.

Q. DID YOU EVER HAVE ANY BUSINESS RELATIONSHIP WITH MR. MCAFEE?

A. YES.

Q. WHAT KIND OF BUSINESS RELATIONSHIP WAS THAT?

A. OH, WE WAS PARTNERS IN AN AIRPLANE, AND A DEEP MINE, TWO OR 3 THINGS, HELICOPTER.

Q. YOU BUY SOME TRUCKS WITH HIM AT ONE POINT?

A. YES.

Q. DO YOU KNOW A PLAN BY THE NAME OF JOHN MEADE?

A. YES.

Q. HOW DO YOU KNOW MR. MEADE?

A. BANKER.

Q. WHERE IS HIS BANK AT?

A. GRUNDY, VIRGINIA.

Q. DO YOU DO BUSINESS AT HIS BANK?

A. YES.

Q. YOU AND MR. MCAFEE DO BUSINESS TOGETHER AT MR. MEADE'S BANK?

A. WE HAVE.

Q. TAKEN LOANS OUT?

A. YES.

Q. TOGETHER?

A. YES.

Q. DO YOU KNOW A MAN BY THE NAME OF GEORGE HANSEN?

A. MET HIM ONCE.

Q. HOW DO YOU KNOW MR. HANSEN?

A. I MET HIM IN WASHINGTON.

Q. YOU REMEMBER ABOUT WHEN THAT WAS YOU MET HIM?

A. A COUPLE YEARS AGO, I GUESS.

Q. COULD IT HAVE BEEN 1981; DOES THAT RING A BELL?

A. COULD HAVE BEEN.

Q. WHEN DID YOU FIRST HEAR OF GEORGE HANSEN?

A. I GUESS IT WAS' 81.

Q. DID YOU HEAR OF HIM BEFORE YOU EVER MET HIM?

A. I DON'T KNOW.

Q. YOU DON'T KNOW?

A. I DON'T REMEMBER RIGHT NOW BUT I COULD HAVE.

Q. DID YOU EVER LOAN CONGRESSMAN HANSEN SOME MONEY?

A. I GUESS.

Q. IS THERE ANY QUESTION IN YOUR MIND OVER WHETHER OR NOT YOU DID?

A. NO.

Q. DID YOU?

A. YES, SIR.

Q. AND WHO DID YOU LOAN HIM THAT MONEY WITH, ANYBODY ELSE?

A. CARL MCAFEE.

Q. HOW DID IT COME ABOUT? FIRST OF ALL, JUST TO

ESTABLISH ONE THING: HOW MANY TIMES DID YOU LOAN HIM MONDAY?

A. TWICE.

Q. DO YOU RECALL THE AMOUNTS OF EACH ONE?

A. 25 THOUSAND AND 60 THOUSAND.

Q. GO TO THE 25 THOUSAND LOAN FIRST. IS THAT WITH CARL MCAFEE?

A. YES.

Q. HOW DID IT COME ABOUT THAT YOU LOANED CONGRESSMAN HANSEN 25 THOUSAND DOLLARS WITH CARL MCAFEE?

A. WELL CARL CALLED ME UP ON THE PHONE AND TOLD ME HE HAD A FRIEND THAT NEEDED TO BORROW 25 THOUSAND DOLLARS TO FINISH WRITING A BOOK IS THE WAY I UNDERSTOOD IT

Q. DID HE TELL YOU WHO THAT FRIEND WAS?

A. YES, HE DID.

Q. WHO DID HE TELL YOU THAT WAS?

A. GEORGE HANSEN.

Q DID HE TELL YOU WHO THAT FRIEND DID FOR A LIVING?

A. YES.

Q. WHAT DID HE TELL YOU?

A. THAT HE WAS A CONGRESSMAN.

Q. DID HE TELL YOU WHAT STATE HE WAS FROM?

A. YES.

Q. WHAT STATE WAS THAT?

A. IDAHO.

Q. DID YOU ASK MR. MCAFEE WHY HE NEEDED YOU TO BE

INVOLVED ON THIS LOAN?

A. NO.

Q. DID HE TELL YOU WHY HE NEEDED YOU TO BE INVOLVED ON THIS LOAN?

A. NO.

Q. HAD YOU EVER HEARD OF CONGRESSMAN HANSEN BEFORE THIS CONVERSATION?

A. NO.

Q. GO AHEAD?

A. I MEAN I MIGHT HAVE MET HIM AND THEN LOANED HIM THIS LOAN, OR LOANED IT AND THEN MET HIM, I DON'T KNOW. I DON'T THINK I HAD THOUGH.

Q. YOU DON'T THINK YOU HAD MET HIM BEFORE YOU LOANED IT?

A. I DON'T THINK SO.

Q. THIS IS THE FIRST TIME YOU HAD EVER HEARD OF HIM?

A. YES, I THINK.

Q. IS IT A FAIR STATEMENT, SIR, THAT CARL MCAFEE JUST CALLED YOU UP AND SAID I HAVE GOT A FRIEND WHO IS A CONGRESSMAN WHO WANTS TO FINISH WRITING A BOOK; LET'S LOAN HIM $25,000.00?

A. NO, HE JUST SAID HE HAD A FRIEND THAT'S WRITING A BOOK AND NEEDED 25 THOUSAND DOLLARS TO FINISH IT AND I JUST DONE IT IS AS A FAVOR TO CARL MCAFEE.

Q. WAS THERE ANY DISCUSSION WITH CARL MCAFEE AS TO WHAT WOULD BE DONE INSOFAR AS THIS LOAN GOES WHETHER THERE WOULD BE SECURITY OR COLLATERAL FOR THE LOAN OR ANYTHING LIKE THAT?

A. GIVE US A NOTE.

Q. WAS THERE TO BE ANYTHING PUT UP FOR SECURITY FOR THIS LOAN?

A. NOT THAT I KNOW OF.

Q. WHAT WERE THE TERMS OF PAYMENT GOING TO BE; DID YOU DISCUSS THERE WITH MR. MCAFEE?

A. I DID NOT.

Q. DID YOU DISCUSS WHAT THE INTEREST RATE WAS GOING TO BE WITH MR. MCAFEE?

A. I DID NOT.

Q. DID YOU DISCUSS WHEN THE CONGRESSMAN WAS GOING TO HAVE TO PAY THIS MONEY BACK WITH MR. MCAFEE?

A. NO.

Q. JUST SAID O. K. LET'S LOAN 25 THOUSAND TO FINISH A BOOK?

A. NO, I DIDN'T SAY THAT; CARL DID.

Q. HE SAID THAT?

A. YES, AND I DONE IT AS A FAVOR TO CARL.

Q. DO YOU KNOW WHAT HAPPENED? DID YOU GET A NOTE FROM THE CONGRESSMAN ON THAT?

A. YES. I DON'T THINK I DID. I THINK CARL DID. MAYBE WE DID. I DON'T KNOW.

Q. I'D LIKE TO SHOW YOU WHAT IS ALREADY IN EVIDENCE AS GOVERNMENT EXHIBIT 41, A 25 THOUSAND DOLLAR NOTE MADE OUT ON JULY 17, TO CARL MCAFEE AND ODELL ROGERS SIGNED BY GEORGE

HANSEN. HAVE YOU EVER SEEN THAT BEFORE?

A. YES.

Q. IS THAT THE NOTE FOR THE 25 THOUSAND DOLLARS THAT YOU AND CARL LENT GEORGE HANSEN?

A. YES.

Q. DID YOU ALL HAVE ANY CONTACT WITH THE BANK CONCERNING THAT NOTE AFTERWARDS?

A. I DON'T KNOW WHAT YOU MEAN.

Q. WELL, THAT NOTE DOESN'T INVOLVE A BANK, DOES IT? THAT IS JUST PERSONAL BETWEEN YOU AND CARL AND THE CONGRESSMAN, RIGHT?

A. YES.

Q. DID YOU EVER GO TO A BANK IN REGARD TO THIS 25 THOUSAND DOLLARS?

A. I DON'T KNOW.

Q. I'D LIKE TO SHOW YOU GOVERNMENT'S EXHIBIT 43 WHICH IS ALREADY IN EVIDENCE. IT IS A COPY OF A NOTE FROM YOU AND CARL MCAFEE TO THE MINERS AND MERCHANTS BANK. HAVE YOU EVER SEEN THAT BEFORE?

A. YES.

Q. DID YOU AND CARL TAKE OUT A 25 THOUSAND DOLLAR LOAN FOR THE MINERS AND MERCHANTS BANK?

A. I DON'T KNOW.

Q. YOUR NAME IS ON THERE, ISN'T IT, ON THE LOAN FROM THE BANK?

A. WHICH ONE?

Q. THE EXHIBIT ON THE OTHER SIDE. RIGHT THERE.

A. THIS ONE?

Q. THIS ONE. THAT WOULD BE GOVERNMENT'S EXHIBIT 43. ISN'T YOUR NAME ON THERE?

A. YES.

Q. AND ISN'T THAT A LOAN THAT YOU TOOK OUT FROM THE BANK WITH CARL?

A. I GUESS IT IS.

Q. WHAT IS THE DATE ON THAT? CAN YOU READ IT?

A. NO, CAN'T READ IT.

Q. ANY NOTATION ON THAT AS TO WHAT THE COLLATERAL OR SECURITY IS FOR THAT LOAN THAT YOU AND CARL TOOK OUT FROM THE BANK IS?

A. IF THERE ARE, I CAN'T READ IT.

Q. YOU CAN'T READ WHAT IT SAYS RIGHT THERE?

A. I GUESS NOT. NOTE SIGNED BY GEORGE HANSEN SOMETHING .

Q. SPEAK INTO THE MICROPHONE.

A. I BELIEVE IT SAYS " NOTE SIGNED BY GEORGE HANSEN " AND SOMETHING ELSE I CAN'T MAKE OUT.

Q. THAT NOTE THAT YOU HAVE UP THERE SIGNED BY GEORGE HANSEN TO YOU AND MR. MCAFEE, THAT IS EXHIBIT 41. WAS THAT THE NOTE THAT YOU GUYS PUT UP AS COLLATERAL FOR THIS 25 THOUSAND DOLLARS LOAN?

A. YES.

Q. SO. THERE WAS COLLATERAL?

A. WELL, YES, I DON'T KNOW. I DIDN'T MAKE THE TRANSACTION. I AM JUST GOING BY WHAT I SEE HERE. I DIDN'T HAVE ANYTHING TO DO WITH IT. MALCOLM VAN DYKE DID ALL THAT.

Q. THIS 25 THOUSAND DOLLARS LOAN THAT YOU MADE WITH CARL, WHO WAS THAT LOAN TO?

A. MR. HANSEN AS FAR AS I KNOW.

Q. AND IT WAS A PERSONAL LOAN TO HIM?

A. WELL, I DON'T KNOW. I JUST -- CARL MCAFEE ASKED ME TO GO ON A NOTE WITH HIM AND I DID. YOU CAN CALL IT PERSONAL. YOU WOULD HAVE TO ASK CARL. I DON'T KNOW THAT.

Q. WHO WERE YOU EXPECTING TO GET PAID BY ON THIS NOTE?

A. I FIGURED MR. HANSEN WOULD PAY IT BACK.

Q. WERE YOU EVER LOOKING TO ANY NONPROFIT CORPORATION TO GET PAID BACK FROM?

A. NO.

Q. ANY ORGANIZATION OR GROUP OF ANY KIND?

A. NO.

Q. DID YOU EVER ASK ANYBODY TO NOT LET ANYONE KNOW THAT YOU HAD MADE THIS LOAN?

A. NO.

Q. WERE YOU EVER INTERESTED IN FIGHTING FOR REFORM OF THE I R S OR ANYTHING LIKE THAT WITH THIS LOAN?

A. NO.

Q. JUST A LOAN TO FINISH A BOOK?

A. THAT IS WHAT I UNDERSTOOD.

Q. THAT IS WHAT YOU UNDERSTOOD?

A. YES.

Q. NOW, THERE CAME A TIME WHEN YOU MADE ANOTHER LOAN, IS THAT RIGHT?

A. YES.

Q. HOW DID THAT COME ABOUT?

A. CARL CALLED ME UP AND SAID HE NEEDED THAT TO FINISH HIS BOOK.

Q. HOW MUCH DID CARL SAY HE NEEDED?

A. 60 THOUSAND DOLLARS.

Q. HAD CARL EVER MENTIONED ANYTHING MORE THAN 25 THOUSAND THE FIRST TIME HE CALLED YOU?

A. NO.

Q DO YOU KNOW WHEN IT WAS THAT CARL CALLED YOU ABOUT THE SECOND LOAN?

A. NO.

Q. I AM GOING TO SHOW YOU GOVERNMENT'S EXHIBIT 45. HAD YOU EVER SEEN THAT NOTE BEFORE?

A. YES.

Q. IS THAT THE NOTE THAT YOU GOT FROM CONGRESSMAN HANSEN, YOU AND CARL FOR THAT 60 THOUSAND DOLLARS LOAN?

A. I DON'T THINK I EVER GOT IT. I THINK CARL DID. I JUST SEEN IT UP HERE.

Q. YOU NEVER SEEN IT BEFORE YOU CAME TO COURT TODAY?

A. OH, YES, I HAVE SEEN THIS ONE HERE. A COPY. I DON'T THINK I HAVE EVER SEEN THE NOTE.

Q. WELL, THE COPY I AM TALKING ABOUT?

A. YES.

Q. IS THAT THE NOTE THAT YOU AND CARL GOT FROM CONGRESSMAN HANSEN?

A. YES.

Q. FOR THE 60 THOUSAND DOLLARS?

A. YES.

Q. CARL EVER SAY ANYTHING TO YOU ABOUT HOW IT WAS GOING TO BE ANYTHING MORE THAN 60 THOUSAND DOLLARS WHEN HE CALLED YOU ABOUT THIS ONE?

A. NO.

Q. WHAT IS THE DATE OF THAT NOTE, MR. ROGERS?

A. AUGUST 14, 1981.

Q. THE FIRST ONE WAS JULY 17, 1981. THE ONE RIGHT UNDERNEATH IT?

A. YES.

Q. SO WITHIN LESS THAN A MONTH, YOU HAVE LOANED 85 THOUSAND DOLLARS TO THE CONGRESSMAN, IS THAT RIGHT?

A. YES.

Q. JUST BECAUSE CARL CALLED YOU UP AND SAID HE WANTED YOU TO HELP SIGN THE NOTE?

A. YES, SIR.

Q. DID YOU EVER END UP MEETING CONGRESSMAN HANSEN?

A. MET HIM ONCE.

Q WHERE WAS THAT?

A. I GUESS IT WAS IN HIS OFFICE.

Q. YOU REMEMBER WHETHER OR NOT THAT WAS BEFORE OR AFTER THIS NOTE, THE FIRST NOTE WAS SIGNED?

A. NO.

Q. HOW LONG DID YOU SPEND WITH HIM IN HIS OFFICE ON THAT ONE MEETING?

A. ABOUT A MINUTE OR TWO.

Q. WHO ELSE WAS THERE WITH YOU?

A. CARL WAS THERE, AND I DON'T KNOW WHO ELSE WAS THERE.

Q. WAS JOHN MEADE THERE AT THE TIME?

A. I DON'T REMEMBER.

Q. WERE YOU IN WASHINGTON AROUND JULY OF 1981?

A. SOMETIME, I DON'T KNOW.

Q. WERE YOU HERE WITH CARL MCAFEE AND JOHN MEADE DURING THE SUMMER OF 1981?

A. YES.

Q. WAS THAT THE TIME WHEN YOU WENT TO MEET THE CONGRESSMAN WITH THEM?

A. I DON'T KNOW IF IT WAS THAT TIME OR THE TIME BEFORE I HAD BEEN UP HERE.

Q. WHAT WERE YOU DOING IN WASHINGTON AT THAT TIME IN JULY OF 1981? WHAT WAS THE PURPOSE OF YOUR TRIP?

A. I DON'T KNOW WHICH TIME WAS JULY.

Q. WELL, THEN, LET'S GO THE BOTH TRIPS. THE FIRST TRIP YOU TOOK, WHAT WAS THE PURPOSE OF IT?

A. I DON'T KNOW. ONE TRIP WE COME UP WE WENT TO MEET HANSEN. AND THE SECOND ONE THAT WAS A PARTY.

Q. A PARTY?

A. YES.

Q. HOW ABOUT CARL MCAFEE AND JOHN MEADE DO YOU KNOW WHAT THEIR BUSINESS WAS?

A. THEY HAD TO MEET SOME GUY, I DON'T KNOW.

Q. DO YOU KNOW WHERE THEY WERE TO MEET THIS GUY?

A. I DON'T KNOW.

Q. MEETING IN THE PENTAGON, DOES THAT RING A BELL WITH YOU AT ALL?

A. I DON'T BELIEVE THEY WOULD HAVE TOLD ME AND I PROBABLY WOULDN'T HAVE REMEMBERED IT ANYWAY.

Q. THE 60 THOUSAND DOLLARS NOTE YOU GOT FROM CONGRESSMAN HANSEN, WAS THERE ALSO A LOAN OBTAINED FROM THE BANK ON THAT ONE, TOO?

A. I AM SURE THERE WAS.

Q. I AM GOING TO SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED GOVERNMENT'S EXHIBIT 47. HAVE YOU EVER SEEN THAT COPY BEFORE?

A. YES.

Q. DOES THAT RELATE TO THIS 60 THOUSAND DOLLARS WE ARE TALKING ABOUT?

A. I AM SURE IT DOES.

MR. COLE: YOUR HONOR, I WOULD MOVE GOVERNMENT'S EXHIBIT 47 INTO EVIDENCE AT THIS TIME.

THE COURT: NO OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT NO. 47 WAS RECEIVED INTO EVIDENCE.)

BY MR. COLE:

Q. WHAT IS THAT, IS THAT A 60 THOUSAND DOLLARS NOTE?

A. YES.

Q. WHO FROM? WHO IS GETTING THE 60 THOUSAND DOLLARS ON THAT NOTE?

A. G. A. HANSEN.

Q. HANSEN IS GETTING THE 60 THOUSAND DOLLARS ON THAT NOTE?

A. THAT IS WHAT IT SAYS.

Q. COULD YOU READ TO THE JURY WHAT IT SAYS THERE?

A. WHICH PART OF IT? THE WHOLE THING?

Q. WELL, YOU ARE SITTING THERE AND SAYING THAT IT SAYS GEORGE HANSEN IS GETTING THE MONEY OUT OF THAT NOTE. WHAT PART LEADS YOU TO BELIEVE THAT?

A. IT SAYS DOWN AT THE BOTTOM, NOTE DATED 8/14/81,-- ON DEMAND-- SOMETHING -- 1982 -- PAYABLE TO ODELL ROGERS AND CARL MCAFEE FOR 60 THOUSAND DOLLARS. WITH G. A. HANSEN AS MAKER.

Q. NOW, IS THAT THE SECURITY FOR THIS LOAN? IS THAT THE

COLLATERAL ON THIS NOTE YOU GOT FROM GEORGE HANSEN?

A. I AM SURE IT IS.

Q. DID CARL MCAFEE GET THE 60 THOUSAND DOLLARS OFF OF THAT LOAN, OR DID YOU GET IT?

A. I DON'T KNOW. YOU WOULD HAVE TO ASK MALCOLM VAN DYKE THAT.

Q. WHO IS MALCOLM VAN DYKE?

A. HE IS MY PARTNER.

MR. LEWIN: THERE IS SOME CONFUSION. THE WITNESS READ AN EXHIBIT, EXHIBIT 45. THAT WAS THE ONE HE WAS TESTIFYING TO. AND EXHIBIT 47 GOT ADMITTED. AND HE IS TESTIFYING ABOUT 45. I WITHDRAW MY CONSENT.

THE COURT: LET'S HAVE THE EXHIBITS UP HERE, MR. LEWIN. AND IF YOU WILL STEP DOWN FOR A MOMENT.

AT THE BENCH:

MR. COLE: YOUR HONOR, THIS IS EXHIBIT 47 AND THAT IS WHAT THE WITNESS WAS TESTIFYING FROM.

THE COURT: IT IS OBVIOUS THAT THE WITNESS -- THAT THIS PARTICULAR DOCUMENT, TAKEN FROM THE WITNESS STAND IN HIS HAND AS HE WAS JUST TESTIFYING A MOMENT AGO. IT HAS BEEN MARKED GOVERNMENT EXHIBIT 47 AND IT WAS THE MATTER THAT WAS MOVED INTO EVIDENCE WITHOUT OBJECTION.

MR. COLE: THIS ONE IS EXHIBIT 45. THERE IS A SIMILARITY.

THE COURT: THE ONE YOU ARE HANDING TO MR. LEWIN?

MR. LEWIN: I HAD UNDERSTOOD, AND I THINK THE TRANSCRIPT WILL REFLECT. MR. COLE ASKED THE WITNESS TO READ FROM 47 AND HE READ ABOUT A NOTE, PAYMENT TO THE GEORGE HANSEN.

MR. COLE: THAT IS REFLECTED ON 47 AS WELL.

THE COURT: I DON'T KNOW IF THE SAME VERBAGE IS ON 45. YOU ARE HOLDING IT. IT HAS THE WORDS, " G. A. HANSEN " AS MAKER. PERHAPS IT SAYS THE SAME THING ON YOUR 45?

MR. LEWIN: IT SAYS IT IS A NOTE ASSIGNED TO "GEORGE HANSEN".

THE COURT: HE DID USE THIS EXHIBIT. YOU WITHDRAW YOUR NONOBJECTION?

WE ARE BACK TO SQUARE ONE.

IN OPEN COURT:

THE COURT: RESUME THE STAND, MR. ROGERS. YOU MAY CONTINUE, MR. COLE.

IN OPEN COURT:

BY MR. COLE:

Q. MR. ROGERS, IS IT FAIR TO SAY THAT A 60 THOUSAND DOLLARS LOAN WAS GOTTEN FROM THE MINERS AND MERCHANTS BANK WITH COLLATERAL BEING THE NOTE THAT YOU AND MR. MCAFEE HAD RECEIVED FROM MR. HANSEN?

A. YES.

Q. DO YOU KNOW THE DATE YOU GOT THAT LOAN FROM THE MINERS AND MERCHANTS BANK?

A. I DON'T KNOW UNLESS I LOOK AT THE NOTE.

Q. COULD YOU LOOK AT THE NOTE AND TELL US?

A. DATED 8, 31, 81.

Q DATED AUGUST 31, 1981?

A. YES.

Q. DO YOU KNOW WHAT HAPPENED TO THAT THE MONEY FROM THAT LOAN?

A. NO.

Q DO YOU KNOW WHETHER IT WAS DEPOSITED INTO YOUR ACCOUNT?

A. YOU WOULD HAVE TO ASK MALCOLM VAN DYKE. I DON'T KNOW.

Q. MR. ROGERS, I WOULD LIKE TO SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED EXHIBIT NUMBER 50, AND ASK YOU WHETHER YOU RECOGNIZE THAT CHECK?

A. YES.

Q. IS THAT CHECK WRITTEN ON YOUR ACCOUNT?

A. YES.

Q. IS IT WRITTEN FOR, IS IT WRITTEN TO CARL MCAFEE?

A. YES.

Q. WHAT IS THE DATE OF IT?

A. 8, 17.

Q. WHAT YEAR?

Q '81.

Q. AND THE AMOUNT?

A. 60 THOUSAND DOLLARS.

Q. DOES THAT CHECK RELATE IN ANY WAY TO WHAT WE ARE TALKING ABOUT, THIS 60 THOUSAND DOLLARS LOAN?

A. PROBABLY THE SAME THING.

MR. COLE: YOUR HONOR, I MOVE THAT INTO EVIDENCE AT THIS TIME.

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS NOW IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT NO.50 WAS RECEIVED INTO EVIDENCE.)

BY MR. COLE:

Q. DID YOU WRITE THE 60 THOUSAND DOLLAR CHECK OR HAVE THE 50 THOUSAND DOLLAR CHECK IT WRITTEN FOR THE LOAN TO CARL MCAFEE TO LOAN TO THE CONGRESSMAN?

A. I THINK I HAD IT DONE. I DON'T THINK I WROTE IT.

Q. DID YOU HAVE IT WRITTEN?

A. I PROBABLY DID.

Q. DO YOU KNOW WHO WROTE IT?

A. WHO WROTE IT?

Q. YES.

A. MALCOLM VAN DYKE WROTE IT.

Q. AT YOUR INSTRUCTIONS?

A. RIGHT.

THE COURT: IS THAT MALCOLM VAN DYKE THAT YOU ARE SAYING?

THE WITNESS: YES MA'AM.

BY MR. COLE:

Q. MR. ROGERS, BOTH TIMES THAT YOU AND MR. MCAFEE WENT TO

THE BANK TO GET THESE LOANS, THE 60 THOUSAND DOLLARS LOAN AND THE 25 THOUSAND DOLLARS LOAN WHO DID YOU DEAL WITH AT THE BANKS?

A. JOHN MEADE. BUT I DIDN'T GO TO THE BANK. I THINK MALCOLM CALLED HIM OVER THE PHONE.

Q. YOU NEVER PHYSICALLY WENT TO THE BANK?

A. I DON'T THINK SO.

Q BUT THE PERSON WHO GAVE YOU THESE LOANS WAS JOHN MEADE?

A. I AM SURE IT WAS BUT I THINK MALCOLM IS THE ONE THAT DONE THAT.

Q. MR. ROGERS, ANYBODY EVER MENTION TO YOU ANYTHING ABOUT A HYDROGEN CAR OR A CAR THAT RUNS ON WATER?

A. I THINK HE DID BUT I JUST SORT OF HEARD IT IN CONVERSATION. I DON'T THINK --

Q. WHO TOLD YOU ABOUT IT?

A. I BELIEVE JOHN MEADE DID, BUT I DON'T REMEMBER.

Q. DO YOU KNOW WHAT MR. MEADE'S INTEREST IN THAT HYDROGEN CAR WAS?

A. NOT REALLY.

MR. LEWIN: I OBJECT TO THAT. THAT IS A LOT OF HEARSAY EVIDENCE COMING IN. IF THIS WITNESS TESTIFIES TO WHAT MR. MEADE TOLD HIM.

THE COURT: HE CAN SAY YES OR NO. HE HAS NOT BEEN ASKED THE CONVERSATION.

MR. COLE: THAT IS CORRECT.

THE COURT: DO YOU KNOW, SIR?

THE WITNESS: I DON'T THINK I DO.

BY MR. COLE:

Q. WERE YOU CONSIDERING INVESTING IN THE HYDROGEN CAR?

A. I DIDN'T KNOW ENOUGH ABOUT IT TO INVEST.

Q. WERE YOU GETTING SOME INFORMATION ON IT?

A. I NEVER GOT ENOUGH INFORMATION TO WHERE I WAS INVESTING.

Q. IF YOU HAD HAD ENOUGH INFORMATION WERE YOU THINKING ABOUT INVESTING IN IT?

A. I AM SURE I WOULD HAVE IF IT HAD BEEN A GOOD DEAL.

Q. MR. ROGERS, YOU SAID YOU ONLY MET CONGRESSMAN HANSEN ONE TIME. DID YOU TALK TO HIM OTHER THAN THAT?

A. I THINK I TALKED TO HIM ONCE ON THE PHONE OR MAYBE TWICE. I DON'T REMEMBER.

Q. DO YOU RECALL WHAT HAPPENED IN THOSE CONVERSATIONS?

A. ONCE I BELIEVE HE WANTED TO BORROW SOME MONEY AND COULDN'T GET AHOLD OF CARL AND I TOLD HIM I WOULD HAVE TO GET AHOLD OF CARL.

Q. DID HE CALL YOU IN THAT CONVERSATION?

A. WHAT?

Q. DID HE CALL YOU?

A. YES, I THINK.

Q. TO BORROW THE MONEY?

A. I THINK.

Q. DID HE TELL YOU HOW MUCH HE WANTED TO BORROW?

A. NO.

Q. YOU HAD ONLY MET HIM ONCE AT THIS POINT?

A. YES.

Q. WHAT ABOUT THE OTHER CONVERSATION?

A. I DON'T KNOW. HE MIGHT NOT HAVE EVEN MADE THE CALLS TWICE SO, I DON'T KNOW. I DON'T KNOW WHETHER HE DID OR NOT.

MR. COLE: NO FURTHER QUESTIONS AT THIS TIME.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. MR. ROGERS, IS IT FAIR TO SAY THAT YOUR PARTICIPATION IN THESE LOANS, AND IN THE DOCUMENTS THAT HAVE BEEN PUT BEFORE YOU WAS SIMPLY A FAVOR FROM YOU TO CARL MCAFEE?

A. YES.

Q. YOU DIDN'T KNOW OR REALLY ASK WHAT THIS WAS ALL ABOUT? IT IS JUST HE ASKED YOU WILL YOU SIGN ON THESE DOCUMENTS WITH ME AND YOU SAID O. K.?

A. THAT IS RIGHT.

Q. AND IN THE COURSE OF THE CONVERSATIONS HE DID MENTION SOMETHING TO YOU ABOUT THE FACT THAT THE MONEY WAS TO BE USED FOR A BOOK THAT A CONGRESSMAN WAS, HE PUT, FINISHING; IS THAT RIGHT?

A. THAT IS RIGHT.

Q. AND YOU, PERSONALLY, REALLY DID NOT GET INVOLVED IN ANY OF THESE DETAILS AS TO WHAT IT WAS ABOUT OR WHAT IT WAS FOR

OR HOW IT WAS GOING TO WORK?

A. THAT IS RIGHT.

Q. AND CARL MCAFEE HAD IN FACT PRIOR TO THAT TIME BEEN YOUR LAWYER AND YOUR BUSINESS PARTNER, IS THAT RIGHT?

A. YES.

Q. AND IT WAS FOR THAT REASON THAT YOU SIMPLY WENT ALONG WITH WHAT HE HAD ASKED YOU TO DO?

A. YES, SIR.

MR. LEWIN: ALL RIGHT. THANK YOU.

NO FURTHER QUESTIONS.

THE COURT: ANYTHING FURTHER?

MR. COLE: NOTHING FURTHER.

THE COURT: MR. ROGERS, YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS UNTIL THIS CASE IS COMPLETED.

LADIES AND GENTLEMEN OF JURY, WE REACHED THE TIME WHEN WE CUSTOMARILY RECESS FOR LUNCHEON, SO WE WILL DO IT AT THIS TIME.

HAVING JUST COMPLETED A WITNESS WE ASK THAT YOU BE BACK AT 1:30 THIS AFTERNOON. THAT AS HOUR AND A QUARTER FOR THE PURPOSE OF LUNCHEON.

REMEMBER THE ADMONITION NOT TO DISCUSS THE CASE. I'LL SEE YOU AT 1:30 THIS AFTERNOON.

(JURY OUT AT 12:15 P.M.)

THE COURT: WILL THE COUNSEL REMAIN? I WOULD LIKE TO

TALK TO YOU A MOMENT.

ALL RIGHT. JUST INQUIRY OF GOVERNMENT COUNSEL AS TO HOW MANY MORE WITNESSES WE INTEND TO HAVE TODAY, IF ANY?

YOU DON'T HAVE TO SAY WHO. JUST ABOUT HOW MANY?

MR. WEINGARTEN: A NUMBER WOULD BE MISLEADING. THERE IS A BRIEF WITNESS MALCOLM VAN DYKE. ONE BRIEF ONE, AND MR. MEADE WHO WILL BE LENGTHY. AND THEN TWO WITNESSES, WE ARE CONSIDERING PUTTING ON, ONE FROM REDSTONE ARSENAL, AND ONE FROM THE PENTAGON. WE EXPECT THEM TO BE BRIEF.

A CUSTODIAN FROM VIRGINIA BANK TO WRAP UP ALL OF THIS FINANCIAL STUFF AND A CUSTODIAN FROM RIGGS TO REPRESENT WHERE MONIES WENT THAT WERE RECEIVED BY CONGRESSMAN HANSEN. AND THEN WE REST.

THE COURT: ALL RIGHT. IF COUNSEL CAN AGREE ON ANY STIPULATIONS CONCERNING THE CUSTODIANS, FINE AND GOOD.

IT SEEMS CLEAR WE ARE GOING TO FINISH BEFORE 7 TODAY. IF THAT IS SO, OF COURSE I AM LOOKING TO MR. LEWIN TO LET HIM KNOW HE WILL HAVE WITNESSES WAITING.

MR. WEINGARTEN: I DON'T THINK HE NEEDS WITNESSES TODAY.

THE COURT: I AM GLAD YOU GAVE HIM THAT ASSURANCE BUT I AM TELLING HIM HAVE SOMEONE STANDING BY SO WE WILL HAVE WITNESSES IN EARLY EVENING.

MR. LEWIN: I HAD ASSUMED FROM WHAT MR. WEINGARTEN HAD TOLD ME THAT HIS CASE WILL BE TAKING ALL DAY. IT LOOKS AS

IF IT WILL BE TAKING ALL AFTERNOON AT LEAST UNTIL 7.

THE COURT: THE REASON I AM DOING THIS IS JUST TO AVOID ANY DIFFICULTY IN THAT REGARD TO AT LEAST HAVE SOME WITNESS READY IF IT SEEMS APPROPRIATE. YOU MIGHT HAVE THEM ON CALL AND THEN AS WE GET CLOSER TO TIME ADVISE THEM TO BE HERE OR NOT TO BE HERE WHEN REQUESTED.

MR. WEINGARTEN: YOUR HONOR, IN OUR TRIAL BRIEF, WE REQUESTED AN OPPORTUNITY TO BE HEARD ON A NUMBER OF DEFENSE EXHIBITS. I HATE TO OBJECT EVERY TIME ONE IS OFFERED INTO EVIDENCE. WE CAN OBJECT IN GROUPS, BUT I THINK PERHAPS A HEARING WILL BE AN APPROPRIATE AFTER WE REST.

THE COURT: ALL RIGHT. SEE YOU AT 1:30.

(WHEREUPON, AT 12:15 PM., THE ABOVE-ENTITLED MATTER WAS RECESSED FOR LUNCHEON, TO RECONVENE THE SAME DAY AT 1:30 P. M.)

AFTERNOON SESSION

THE COURT: Good afternoon. Is everyone ready for the jury? Fine.

(Jury present at 1:30)

THE COURT: All right, ladies and gentlemen. After our luncheon, of whatever quality, we are all ready to continue with the testimony. The government will call its next witness.

MR. COLE: The government calls Malcolm Van Dyke.

Whereupon,

MALCOLM EUGENE VAN DYKE

was called as a witness by counsel for the Government and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

THE COURT: Good afternoon, Mr. Van Dyke.

DIRECT EXAMINATION

BY MR. COLE:

Q. Mr. Van Dyke, would you please state your full name for the record and spell your last name?

A. Malcolm Eugene Van Dyke. V-A-N-D-Y-K-E.

Q. Where do you live, sir?

A. Richlands, Virginia.

Q. If I could ask you to keep your voice up a little bit and maybe move a little closer to the microphone so we can all hear.

Where was that?

A. Richlands, Virginia.

Q. How are you employed, Mr. Van Dyke?

A. I employed by Rebel Coal Company.

Q. Who owns the Rebel Coal Company?

A. Odell Rogers.

Q. Are you involved in any other businesses besides the Rebel Coal Company?

A. Yes.

Q. When would that be?

A. We have some partnerships and do some farming.

Q. Are you familiar with a company named M&T Equipment?

A. Yes.

Q. Are you involved in M&T Equipment?

A. Yes, I am.

Q. What is your position there?

A. Partner.

Q. Who are you partners with?

A. Odell Rogers.

Q. Odell Rogers?

A. Yes.

Q. He is the owner of Rebel Coal?

A. Yes.

Q. How long have you been working for Rebel Coal?

A. 11, 12 years.

Q. What are your duties there, if I can ask?

A. I am in production right now.

Q. What would that involve for those who are not sure about the coal business too much?

A. All right. Supervising the operation out in the field.

Q. Your duties with M and T Equipment Company?

A. To help manage it.

Q. What kind of business is it?

A. We lease equipment and do some farming.

Q. Do you have any duties with regard to Odell Rogers of a personal nature as opposed to a business nature?

A. Yes, I do.

Q. Could you tell the jury what those duties are?

A. I do most of his personal finance work. I write his checks, pay his bills, deposit his checks, et cetera.

Q. Would you be known as Odell's business manager?

A. Probably.

Q. Is that how you have described yourself in the past?

A. Yes.

Q. In regard to your business relationship personally with Mr. Rogers, have you had involvement with loans that were made to congressman George Hansen?

A. Yes.

Q. I would like to first show you what is in evidence as Government's Exhibit 41, which is a promissory note from George

Hansen to Odell Rogers and Carl McAfee, and Government's Exhibit 43 in evidence, a note from Odell Rogers and Carl McAfee to the Miners & Merchants Bank. Have you ever seen those two before, or originals? Those are copies.

A. Yes, I have.

Q. Both 41 and 43, both of those exhibits?

A. Yes.

Q. I would like you to look at the back of the second page of 41, which is the promissory note. There is a signature there. Do you know whose signature that is?

A. It appears to be Carl McAfee's.

Q. Do you know if Mr. McAfee signed that?

A. No, I don't know.

Q. I would like you now to look on the Exhibit 43, at the bottom on the signature section. There are two signatures there, is that right?

A. Yes.

Q. Did you sign either of those signatures?

A. Yes.

Q. Which one did you sign?

A. I signed Odell's, I am sure of it.

Q. Was that done at Mr. Rogers' instructions?

A. Yes.

Q. How about the Carl McAfee signature, did you sign that?

A. No, I don't think so.

Q. Were you told anything by Mr. Rogers concerning this loan at the time you signed that document?

A. Rephrase that again. I was told to do this.

Q. You were told to do that?

A. Yes.

Q. Did he tell you what the money was for?

A. No.

Q. Did he tell you anything about the nature of the loan or why he was doing it?

A. No.

Q. Did there come a time when there was another loan that was made by Mr. McAfee and Mr. Rogers to Congressman Hansen, that you know of?

A. Yes.

Q. I would like to show you what is already in evidence as Government's Exhibit 45, which is a promissory note from George Hansen to Odell Rogers and Carl McAfee, Government's Exhibit 47, which is a note from Carl McAfee to the Miners & Merchants Bank. Let's just start with those two right now.

Have you seen those before, Mr. Van Dyke?

A. Yes, I have.

Q. I would like you now to look first, on the back of the promissory note from George Hansen. There appears two signatures on the back. Do you know who wrote those signatures on the back?

A. I think I did.

Q. Both of them?

A. Yes.

Q. One is for Odell Rogers?

A. Yes.

Q. The other is for Carl McAfee?

A. Yes.

Q. I would like you now to look at the note itself, which is Government's Exhibit 47. There is a signature on the bottom line there of Carl McAfee. Did you sign that as well?

A. Yes, I did.

Q. How is it that you came to sign those signatures on those notes, Mr. Van Dyke?

A. Mr. McAfee was out-of-town, and he made arrangements with the bank for the loan, and also authorized me, with the bank officials, to sign his name.

Q. Did you have a conversation with Mr. McAfee?

A. Yes, I did.

Q. Did he call you?

A. Yes.

Q. What instructions did he give you as far as what you were supposed to do here?

A. Get the money and deliver it to his office.

Q. Where were you supposed to get the money from?

A. From the bank, the note.

Q. From the Miners & Merchants Bank?

A. From the proceeds of the loan, yes.

Q. Did he instruct you to have a check written on Mr. Rogers' account and sent over to his office?

A. No.

Q. Let me show you Government's Exhibit 50, which is in evidence, and ask you if you have ever seen that check before?

A. Yes, I did write that check, but not under the instructions of Mr. McAfee.

Q. Why did you write that check, Mr. Van Dyke?

A. In order to transfer the funds from Miners & Merchants Bank to Mr. McAfee.

Q. Now, that is a $60,000 check to Carl McAfee?

A. Yes, it is.

Q. Signed Arthur L. Rogers?

A. Yes.

Q. What is the date on that check?

A. 8-19-81.

Q. That would be August 19th, 1981?

A. Yes.

Q. Were there funds to cover at that point from the bank, that check? Had you already gotten the money from the bank at that point?

A. No.

Q. So you were advancing the funds?

A. Right. The funds were to come from the proceeds of the loan.

Q. Now, had Mr. McAfee told you to get that money over to his office prior to actually having the loan finished up at the Miners & Merchants Bank?

A. Yes.

Q. Did Mr. McAfee give you any other instructions as to who you were to have those loan documents sent to at the bank?

A. Yes.

Q. Who did he tell you to send them to?

A. Mr. Meade.

Q. That is John Meade?

A. John Meade.

Q. He was the president of the bank at the time?

A. Yes, he was.

Q. Mr. McAfee, if I can summarize, told you to sign the back of the George Hansen note, is that correct?

A. Yes.

Q. Then he told you to sign the $50,000 note from him to the Miners & Merchants Bank, is that correct?

A. Yes.

Q. When that note was signed, was there anything filled in as far as when the payment terms were supposed to be or what the collateral was going to be or anything of that nature?

A. No.

Q. It was just a blank note?

A. A blank note.

Q. You were to sign that blank note?

A. Yes.

Q. Did Mr. McAfee inform you at all of what was going to happen to that blank note when it got over to Mr. Meade at the bank?

A. No.

Q. Was it your understanding that Mr. Meade knew what to do with that note when he got it?

A. Yes.

Q. How did you get that understanding?

A. Mr. McAfee told me that he had talked to Mr. Meade and they had worked out the loan, and he had told him what to do with the funds.

Q. Now, did Mr. Rogers instruct you to sign his name on that loan document as well?

A. Yes.

Q. Was money ever obtained from the bank for this loan that you had made out for Mr. Meade?

A. Yes.

Q. I would like to show you what has previously been marked for identification as Government's Exhibit 48 and Exhibit 49. First, to No. 48, which is the document you are looking at, have you ever seen that before or something like that?

A. No.

Q. Looking at No. 49, have you ever seen that before, or an original of it?

A. I don't recall ever seeing that before, no.

Q. Okay. Mr. Van Dyke, did there come a time when you began to make some payments on this loan, on both of these loans?

A. I paid some interest, no principal payment.

MR. COLE: If I could have this item marked Government's Exhibit 51B.

DEPUTY CLERK: Government's Exhibit 51B marked for identification.

(Whereupon, Government's Exhibit No. 51B was marked for identification)

MR. COLE: I am showing a copy of 51B to counsel. I am also showing a copy of Government's 51 to counsel.

BY MR. COLE:

Q. Mr. Van Dyke, I would like to show you first Government Exhibit 51, a piece of paper containing copies of two checks. Have you seen either of those two checks before?

A. Yes, I have seen one of them.

Q. Which one have you seen?

A. The M and T Equipment Company check.

Q. What is the date it is made out?

A. It is not legible.

Q. Have you seen the other check on that sheet?

A. No.

Q. Let me show you Exhibit 51B and ask you if the check on 51B is the same as the check you have just been looking at on 51?

A. Yes, it is.

Q. Can you make out the date on that one?

A. 9-30-81.

Q. What else is on 51B, what else besides the check, is on that piece of paper?

A. The check stub.

Q. Is that a check stub and check that you made out and filled out concerning a payment on the loans we are talking about here today?

A. An interest payment, yes.

MR. COLE: Your Honor, I would move 51B at this time into evidence.

MR. LEWIN: No objection.

THE COURT: It is now in evidence, without objection.

(Whereupon, Government's Exhibit No. 51B was received into evidence).

BY MR. COLE:

Q. Would you tell the jury what the check is for, first of all, who it is made out to, the date and the amount?

A. The check was written on September 30th, 1981, to Miners & Merchants Bank, and its stubbed as an interest payment for one-third of interest on note 10-7-42 and 10-7-19. The amount of the check $536.53.

Q. You said the check stub said one-third interest on those two notes, is that correct?

A. One-third of the interest on the two notes.

Q. Were you instructed at that time to pay one-third of the interest on those two notes?

A. Yes.

Q. Are those the two notes we have been talking about here that were secured with Congressman Hansen's personal notes to Mr. Rogers and Mr. McAfee?

A. I can't see the note number on there.

Q. Is that your understanding?

A. That is my understanding that that was the two notes, yes.

Q. Who told you to make a one-third payment on that?

A. Mr. Rogers.

Q. Did you ever discuss it with Mr. McAfee?

A. No.

Q. Were you ever paid back that one-third payment?

A. Not to my knowledge, no.

Q. Was it your understanding that you were to make that one-third payment as a payment on interest, without expecting to be reimbursed for it?

A. No, the re-payment was never discussed.

Q. Do you know who made the other two-thirds payments?

A. No, I don't.

Q. Nobody ever told you?

A. No. From this exhibit, I can tell you who made part of it.

Q. The other exhibit?

A. It looks like John Meade's check, which was an interest check also for that.

Q. Mr. Van Dyke, have you ever been paid interest by Congressman Hansen on the note on behalf of Odell Rogers?

A. No, I have not.

Q. As Mr. Rogers' business manager, who did you understand the loan of 25,000 and 60,000 to be made to?

A. Mr. Hansen.

Q. As his business manager, who did you expect to have re-payment made by?

A. By Mr. Hansen, yes.

MR. COLE: Thank you, Mr. Van Dyke.

THE COURT: Cross-examination.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. Mr. Van Dyke, you were never told by Mr. Rogers what the purpose was of these loans to Congressman Hansen, were you, what he understood the purpose to be?

A. I don't know. He never told me the purpose, no.

Q. He never told you.

With regard to those loans, the documents that are before you, Government's Exhibit 41, and the $60,000 note, Government Exhibit 45, I just ask you to read to the jury, if you will, the first printed line under the number of the principal that was owed under those notes. It says, "with interest thereon", is that right?

A. Yes.

Q. So could you please read that?

A. "With interest thereon at the rate of 20 percent per annum from August 14th, 1981, until paid."

Q. And in the other note?

A. "With interest thereon at the rate of 20 percent per annum from July 17th, 1981, until paid."

Q. So both of those were notes in which Congressman Hansen was obligating himself to pay principal and interest at the rate of 20 percent per annum, is that right?

A. Yes.

Q. That was a good rate of interest at the time, was it not?

A. Yes.

MR. LEWIN: Thank you.

MR. COLE: No further questions.

THE COURT: Thank you for your testimony. I ask only that you not discuss it with any other possible witness in this case until the matter is concluded.

THE WITNESS: Okay.

MR. COLE: The government calls as its next witness, John Meade.

Whereupon,

JOHN D. MEADE, JR.

was called as a witness by counsel for the Government and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

THE COURT: Good afternoon, Mr. Meade.

THE WITNESS: Good afternoon.

DIRECT EXAMINATION

BY MR. COLE:

Q. Would you please state your full name and spell your last name for the court reporter?

A. John D. Meade, Jr. M-E-A-D-E.

Q. Where do you live?

A. 11 Route 2, Lebanon, Virginia.

Q. How are you employed, sir?

A. Self employed.

Q. What kind of business do you do self employed?

A. Farming.

Q. Where is Lebanon, Virginia?

A. It is in the southwestern part of Virginia, near Bristol, Virginia, Tennessee.

Q. Prior to that, Mr. Meade, how were you employed, prior to being a farmer?

A. I was president of the Miners & Merchants Bank Trust Company in Grundy, Virginia.

Q. What period of time was it that you were president of Miners & Merchants Bank?

A. I believe it was from April of 1978 until sometime in April of 1982.

Q. Mr. Meade, when you left the bank, was it under somewhat unusual circumstances, sir?

A. Yes, it was.

Q. Were you in fact under criminal charges or contemplated criminal charges at the time you left the bank?

A. Yes, I was.

Q. Did you eventually plead guilty to those criminal charges?

A. Yes, sir.

Q. Could you tell the jury what those criminal charges were?

A. Misapplication of bank funds, making false entries on bank books and making false statements in order to get a loan.

Q. Is it fair to say, Mr. Meade, that on the 3rd of June, 1983, you ultimately plead guilty to seven counts in Federal District Court involving these violations that you have just told the jury of?

A. June of 1983 or June of 1982?

Q. June of 1983, I believe, was the last date you were in court, is that correct?

A. That was the last date I was in court, yes, sir.

Q. You had had a hearing before that in November?

A. Yes.

Q. It was seven counts?

A. Yes.

THE COURT: Ladies and gentlemen of the jury, the testimony of a witness may be discredited or impeached by the showing that he has been convicted of a crime. A witness' prior criminal conviction is admitted into evidence solely for your consideration in evaluating his credibility as a witness. You may consider Mr. Meade's prior conviction only in connection with your evaluation of the credence to be given to his present testimony in court.

You may continue, Mr. Cole.

MR. COLE: Thank you, Your Honor.

BY MR. COLE:

Q. Mr. Meade, is it fair to say you resigned from Miners & Merchants Bank on the 29th of April, 1982?

A. I believe that is the date, sir. It was in 1982.

Q. Was there a bank examination going on at the time?

A. Yes, there was.

Q. Did that examination reveal irregularities in the transactions of the bank?

A. Yes.

Q. When did that examination begin?

A. I believe sometime in March, sir, of 1982.

Q. Did it go on up until the 29th of April? Did it take some time?

A. It took some time, sir. The exact date was sometime in April, yes, sir.

Q. Was it still going on when you left the bank?

A. Yes, sir.

Q. Who followed you as president of the bank?

A. I am sorry?

Q. Who followed you, who was president of the bank after you resigned from being president?

A. Jack Reasor.

Q. Do you know how long he remained president of the bank?

A. From the time I left in 1982 up until just recently, sir, sometime around the end of 1983, I believe.

Q. Mr. Meade, do you know a man by the name of Carl McAfee?

A. Yes, sir.

Q. How long have you known Mr. McAfee?

A. Practically all my life, sir.

Q. How do you know him? Is he a friend? Is he a business partner? How would you describe your relationship?

A. Well, a friend, an attorney. He represented me, like in the case that we just talked about.

Q. Did you also have business dealings with Mr. McAfee?

A. Well, kind of.

Q. Did you ever go into any sort of investment with Mr. McAfee or thinking about going into an investment with Mr. McAfee?

A. We discussed about going into business together, but actually there was never any -- for instance, we discussed one time of going into a coal operation together, but to my knowledge I was never in that company, at least I was never issued any stock or anything, to my knowledge.

Q. Do you know a man by the name of Odell Rogers?

A. Yes, sir.

Q. How long have you known Mr. Rogers?

A. Practically all my life, again, or all of his life, not really all that close up until 6 or 7 years ago, I guess 10, 12 years ago.

Q. What kind of relationship, again, with Mr. Rogers, friendship, business?

A. Friendship, and then from a business standpoint of dealing with Mr. Rogers and his companies through the bank.

Q. Did you ever extend loans to Mr. McAfee and Mr. Rogers together while you were at the Miners & Merchants Bank as president?

A. Yes, sir.

Q. I would like to draw your attention specifically now to July of 1981. Did you extend a loan to Mr. Rogers and Mr. McAfee at that time?

A. I believe that is the date, sir. If I could see an instrument or something, I could tell you.

Q. I am going to show you Government's Exhibit 42, which is a $25,000 note from Miners & Merchants Bank from Carl McAfee and Odell Rogers.

A. Yes, sir.

Q. Did you handle that transaction for them?

A. Yes, sir.

Q. How much is the loan for?

A. $25,000.

Q. What is the collateral or security for that loan?

A. It states, the note signed by George Hansen.

Q. What kind of note is that, Mr. Meade? When is it due?

A. The one made to McAfee and Rogers?

Q. That is correct.

A. It is a demand note, payable on demand.

Q. Is there any time period then that they have to pay it in?

A. Not really, sir.

Q. How about interest payments, do they have to make interest payments on it?

A. Interest payments were to be paid on a calendar quarter basis.

Q. For those of us who aren't in the banking business, what does it mean to make an interest payment on a calendar quarter basis?

A. There would be a payment due April 1, July 1, October 1.

Q. And then January 1?

A. And then January 1, yes, sir.

Q. So it is quarters of the year?

A. Yes, sir.

Q. I would like to show you Exhibit 44, which is a $25,000 check from Miners & Merchants Bank to Carl McAfee. Have you seen that before, Mr. Meade?

A. Evidently I have. I signed it.

Q. Is that the money that was given to Mr. McAfee because of this loan that was made?

A. Well, sir, it is of the same date. I don't know of any other loan he had in the bank or any other reason I would have been giving him that check.

Q. Now, this loan was secured by a note from George

Hansen to Mr. McAfee and Mr. Rogers, is that correct?

A. Yes, sir.

Q. Were you told anything about this loan at the time from Mr. McAfee or Mr. Rogers as to why they loaned money to Congressman Hansen?

A. No, sir.

Q. Was this security, this note, required as collateral for your loans, in your bank?

A. Is the question, did we require Mr. Hansen's note as security on Mr. Rogers' and McAfee's loan?

Q. Correct.

A. No, sir, we would not have necessarily required it.

Q. Was the bank looking to Mr. Hansen for the loan at all at this point?

A. No, sir.

Q. Just to Mr. Rogers and Mr. McAfee?

A. Yes, sir.

Q. Do you know why this note was put up as collateral?

A. No, sir.

Q. Had you met Congressman Hansen at the point you negotiated this loan?

A. I don't remember whether I had met him at the time. It seems like I have checked this before, and perhaps I had. I really don't remember whether it was before or right after, but anyway, it was right during the period of time that I met Mr.

Hansen.

Q. Did you ever discuss this loan with Mr. Hansen, around that period of time?

A. At that period of time that the loan was made?

Q. Yes.

A. No, sir.

Q. Did there come a time when you did another loan of the same variety for Mr. McAfee and Mr. Rogers?

A. I am sorry? What was the question again?

Q. Did there come another time when there was a loan made to Mr. McAfee and Mr. Rogers, about a month later, the same kind of thing?

A. Yes, sir.

Q. I would like to show you Government's Exhibit 47 and Government's Exhibit 45. Do you recognize those at all?

A. Yes, sir.

Q. No. 47, is that the loan document concerning the loan you made to Mr. McAfee for $60,000?

A. Yes, sir.

Q. Government Exhibit 45, I believe, which is next to you there, is that the note that was used as collateral for that?

A. Yes, sir.

Q. That again, you are saying, the bank didn't require there be any collateral here at all?

A. No, sir.

Q. Was it your understanding, Mr. Meade, that these two notes from Congressman Hansen were being used as collateral so that the money you gave Mr. McAfee and Mr. Rogers could be used to give to the congressman?

A. Really, on the $25,000, I don't remember that, but on the $60,000 I believe that I was aware that the proceeds of the loan was going to Congressman Hansen, or someone other than McAfee and Rogers.

Q. You learned that from someone other than McAfee and Rogers, did you say?

A. No, I said, or to someone other than McAfee and Rogers.

Q. I would like to show you Exhibits 48 and 49 and ask you if you recognize them?

A. Yes, sir.

Q. Could you tell us what they are?

A. Exhibit 48 is a loan clearing account check or item for $60,000 payable to Carl E. McAfee.

Q. Is that issued by your bank?

A. Yes, sir.

Q. Is that in relation to the $60,000 loan we just talked about?

A. Yes, sir.

MR. COLE: I move that into evidence at this time, Your Honor.

THE COURT: No objection?

MR. LEWIN: Could I just see the document, Your Honor?

THE COURT: Of course.

MR. LEWIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 48 was received into evidence).

BY MR. COLE:

Q. I would like you to look at Exhibit 49. Do you know what that is, sir?

A. Yes, sir.

Q. What is that?

A. That is a deposit ticket to Arthur O. Rogers' account for $50,000.

Q. Is that also from your bank?

A. Yes, sir.

MR. COLE: I would like to move that into evidence at this time, Your Honor.

MR. LEWIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 49 was received into evidence).

BY COLE:

Q. Would you look at that loan clearing document,

Exhibit 48. Who is it made out to?

A. Carl E. McAfee.

Q. Are there any instructions on it?

A. Yes, sir.

Q. What are those instructions?

A. The instructions say to deposit to Arthur O. Rogers' account No. 02-3591-6.

Q. Arthur O. Rogers is Odell Rogers?

A. Yes, sir.

Q. Odell Rogers is not on the $60,000 note with Miners & Merchants, is he?

A. I don't believe he was, sir.

Q. Just Mr. McAfee?

A. Looking at the document, I believe that is all I remember seeing on it, yes, sir.

Q. Would you like to see the document to be sure?

A. Yes, sir.

Q. I am showing the witness Exhibit 47.

A. Do you have the back of this note?

Q. No.

A. Well, Odell Rogers is not signed as a maker on the front of the note, no, sir.

Q. Yet the check for the proceeds is being deposited to Mr. Rogers' account?

A. Yes, sir.

Q. Mr. Meade, you said that there are interest payments due quarterly on these notes, is that correct?

A. Yes, sir.

Q. Who would the interest payments be expected from?

A. Carl McAfee and Odell Rogers.

Q. I would like to show you Exhibit 51, Mr. Meade, and ask you if you recognize the top check on there?

A. Yes, sir.

Q. Could you tell us what it is?

A. It is a check signed by me on an account of mine in the name of Cherokee Cattle Company payable to Carl McAfee and Odell Rogers for $623.06. It looks like, $623.06.

Q. Is that one of your checks?

A. Yes, sir.

Q. Do you know what that check was used for?

A. It says on there it went to pay interest on the Hansen loan.

MR. COLE: Your Honor, I would move Exhibit 51 into evidence at this time.

MR. LEWIN: Could we see that document again?

THE COURT: Surely.

MR. LEWIN: Your Honor, I understand there are two checks photographed on Government Exhibit 51 and Mr. Cole advises me that the bottom check is in evidence as 51B and that only the top check is 51. We have no objection.

THE COURT: Fine. It is in evidence.

(Whereupon, Government's Exhibit No. 51 was received into evidence).

BY MR. COLE:

Q. Mr. Meade, you said that check is made out to Odell Rogers and Carl McAfee, is that correct?

A. Yes, sir.

Q. Did you make that check out?

A. I really don't remember, sir. I rather think that my secretary did, sir.

Q. Would she have made it out without your instruction?

A. No, sir.

Q. Would your instructions have included who to make it out to?

A. Yes, sir, it would have.

Q. Would it include the amount?

A. Yes, sir.

Q. Would it include instructions to have it signed with your name?

A. Yes, sir.

Q. Why would you not have made it out yourself?

A. I really don't know. I mean, except my secretary did a lot of work for me on a personal basis and she had my signature on a stamp that she could sign checks, on my behalf, or on my accounts.

Q. What is the date of that check, Mr. Meade?

A. It is so blotted out I really can't tell you, sir. It looks like 9 something of 1981.

MR. COLE: Your Honor, if I may show Mr. Meade another copy?

THE COURT: Surely.

THE WITNESS: It looks like maybe 9-30.

MR. LEWIN: Your Honor, may we have the better copy marked in evidence so that the jury can see it?

THE COURT: If you would rather have it done that way, good idea, Mr. Lewin.

BY MR. COLE: We will substitute this for Exhibit 51.

THE COURT: This is the better copy.

THE WITNESS: It is dated 9-30-81.

MR. COLE:

Q. September 30th?

A. Yes, sir.

Q. Is that the date the interest payment was due on these loans?

A. That is when it would have been due, yes, sir.

Q. Would it have been due on both of the loans that day?

A. What was the date of the $25,000 one? Was it dated in August of 1981?

Q. I believe July of 1981.

A. July of 1981? Yes, sir, interest on both of them would have been due on 9-30.

Q. Did this check go for interest on those?

A. I assume it did.

Q. Did you give this check to Mr. McAfee and Mr. Rogers?

A. No, sir.

Q. It is made out to them, isn't it?

A. Yes, sir.

Q. Doesn't a check need to be endorsed to be cashed?

A. Well, it was my own check, sir. Well, it was my secretary, I believe, the endorsement will show -- or someone other than I signed it but they would have done that by my instructions.

Q. You would have instructed them to endorse someone else's name on the check?

A. Yes, sir, since it was my own check.

Q. Mr. Meade, how long have you been a banker?

A. About 25 years.

Q. In banking circles and in banking practice, is it proper to endorse someone else's name on a check without his permission?

A. I wouldn't say it was proper, sir, but I have seen it done for your friends and so forth.

Q. Do you know if this was the total interest payment that was supposed to be made on this loan at that time, Mr. Meade?

A. Right off, I don't recall, but from the amounts of the loans I wouldn't think it would be the total interest, no, sir.

Q. Would there be other interest that would have to be paid?

A. I would think so, yes, sir.

Q. Did you ever get paid back by Mr. McAfee or Mr. Rogers on this check?

A. I really don't remember, sir, whether I did or I didn't.

Q. Mr. Meade, have I asked you in the past to check on whether or not you did?

A. Yes, sir, you did, and by my records, I haven't found where I was repaid, no, sir.

Q. To the best of your knowledge, you haven't been repaid?

A. Yes, sir.

Q. Now, you have on the bottom of this check, in the memo section, what does it say there?

A. It says, "interest on Hansen loan".

Q. Now, the two loans we are talking about at the Miners & Merchants Bank, those weren't loans to Congressman Hansen, were they?

A. No, sir.

Q. Mr. Meade, why do you have interest on the Hanson loan written on the check?

A. Well, evidently that is where the money was being applied was to the interest on one of the two loans of Odell Rogers and Carl McAfee that was secured by the notes on Congressman Hansen.

Q. Did you ever talk to Mr. Rogers or Mr. McAfee about each of you paying a third of this interest for the congressman?

A. No, sir.

Q. Are you sure about that?

A. To the best of my memory and knowledge, I don't remember it, no, sir.

Q. If Mr. Van Dyke came in here and said he was instructed to pay one-third of the interest and believed you were to also pay a third, would that refresh your memory at all?

A. No, sir, it does not refresh my memory.

Q. Did you ever make any efforts to have these notes collected from Congressman Hansen?

A. To collect the notes, to collect the principal of the notes, is that your question?

Q. To collect any payments on these $25,000 and $50,000 loans.

A. By telephone, I have talked to Congressman Hansen, I believe, about paying the interest.

Q. How many times?

A. I really don't remember, sir.

Q. Did you do that on your own?

A. No, sir. I did that at the request of Mr. McAfee and Mr. Rogers, one or both. I really don't remember which one might have requested it.

Q. Was there ever a payment pursuant to your call?

A. I really don't remember, sir.

Q. Do you recall testifying in the grand jury?

A. Yes, sir.

Q. Would it refresh your memory if I showed you the grand jury section concerning that?

A. Yes, it probably would. That was over a year ago. I could remember better then than I can now.

THE COURT: Do we have an extra copy of that grand jury testimony?

MR. COLE: I believe so, Your Honor. For counsel, Your Honor, I am referring to page 60, line 11 through line 18.

BY MR. COLE:

Q. Would you just read that to yourself, Mr. Meade?

Does that refresh your memory, sir?

A. Well, sir, like I stated at the time, my memory was much more fresher on this over a year ago than it is today. So, you know, today I still don't remember it but evidently I did at that time.

BY MR. COLE:.

Q. Was this true at the time you said this?

A. Yes.

MR. COLE: Your Honor, I would request permission to have the witness read that section into the record.

THE COURT: Starting at line 11?

MR. COLE: Yes.

THE WITNESS: Line 11 is my answer, "I might have called him more than once; I really don't remember. But about the only thing I do recall or remember was that, on one occasion I called him and as well as I remember, he said he would send the check or send whatever the amount was we were asking for. And as well as I remember, we received it. I don't remember whether it was immediately or whether it was two weeks later or whatever."

Through lines what, sir?

BY MR. COLE:

Q. That is sufficient, Mr. Meade. Thank you.

Mr. Meade, I would like to show you Government's Exhibit 54.

Let me show it to counsel, first.

I would ask you if you recognize that?

A. Yes, sir.

Q. Could you tell us what it is?

A. It is a check dated April 14th, 1982, payable to Miners & Merchants Bank Trust Company for $8,476.71, and I believe that that is G. A. Hansen's signature or something, G.

Hansen's signature.

Q. Do you know if that check relates to the $25,000 and $50,000 loans we are talking about?

A. As well I remember, it would have had to relate to one or both of those loans, yes, sir.

MR. COLE: Your Honor, I would move that exhibit into evidence at this time.

MR. LEWIN: No objection.

THE COURT: In evidence.

(Whereupon, Government's Exhibit No. 54 was received into evidence).

BY MR. COLE:

Q. Mr. Meade, what is the date of that check?

A. April 14th, 1982.

Q. I believe you testified earlier that there was a bank examination going on in your bank in April of 1982, is that correct?

A. Yes, sir.

Q. Was this check written during the time of that bank examination?

A. Yes, sir.

Q. Mr. Meade, the $25,000 loan, did your bank always have that as a loan in its possession or did you ever, I believe the term is, "participate" it out to another bank?

A. It could have been participated out, sir. Today, I couldn't remember whether it was or whether it wasn't.

Q. Mr. Meade, I would like to show you Government's Exhibit 56A and tell me if you have ever seen that document before?

A. I am sure I have, sir.

Q. Is that a ledger from your bank?

A. Yes, sir.

Q. Does it concern one of the loans we are talking about?

A. Well, sir, to state definitely, I would have to see a copy of that $25,000 note to get the number off the note, to get the note number off. No, wait a minute, it doesn't even -- no, it doesn't have the note number on the certificate. Yes, it does. Yes, the number is here.

THE COURT: Your final answer is it does have the number on it?

THE WITNESS: Yes.

BY MR. COLE:

Q. I show you Exhibit 43.

A. Now, sir, I don't find the number on the note itself. Down here where it says old number and new number on the note, there is no number on it. That is not out of the ordinary use. We used to keep the numbers on note jackets and the number is on the note jacket.

Q. So you don't know?

A. I would assume that --

Q. Does that match the dates, Mr. Meade?

A. What date did we say the note was dated again? I can't read it on this copy. July the --

Q. All we have is that copy, Mr. Meade. The question is, do you know if that is the same ledger sheet for that note?

A. It certainly appears to be, yes, sir.

MR. COLE: Your Honor, I would offer that into evidence at this time.

MR. LEWIN: Your Honor, could I please see that?

THE COURT: Surely.

MR. LEWIN: Your Honor, might I just voir dire the witness?

Could I have this document marked the next Defendant's Exhibit.

THE COURT: This isn't appropriately cross-examination, it is voir dire.

MR. LEWIN: It is voir dire. It just goes to the document, Your Honor.

THE COURT: Fine.

DEPUTY CLERK: Defendant's Exhibit 14 marked for identification.

(Whereupon, Defendant's Exhibit No. 14 was marked for identification)

VOIR DIRE EXAMINATION

BY MR. LEWIN:

Q. Mr. Meade, the document Mr. Cole was asking you about, Government 56A, let me place that before you, and let me place before you another document which is marked Defendant's Exhibit 14, which is a copy of which we received some time ago from the government. If you compare the two, there are differences between those two, are there not?

A. Yes, sir, there is.

Q. Defendant's Exhibit 14 has some handwriting up on top after the word "demand", it says "business", where the other one does not?

A. I am sorry, sir.

Q. Defendant's Exhibit 14, which is the one on your left, not the one you are looking at right now but the other one in your left hand, when it describes the note up on top it says "demand-business", is that written in there?

A. No, sir. I see "demand".

Q. Government's Exhibit 56A is the one that has "business" written?

A. Yes.

Q. Someone has written the word "business" on the right-hand side?

A. Yes, sir.

Q. Government's Exhibit 56 has another entry down at the bottom?

A. Yes, sir.

Q. Which is the authentic document or copy of the authentic document, do you have any way of knowing?

A. No, sir, I don't. The bank, I am sure, would have. I mean, I would have no way of knowing, sir.

MR. LEWIN: Your Honor, I submit the matter is not of any great relevance but --

THE COURT: Let's do it at the bench, though.

Mr. Meade, step down for a moment.

(Bench conference).

MR. LEWIN: Well, Your Honor, as I say, it is not a matter of any great relevance but we have two different documents, one which was given to us by the government some time ago and another one which the government is trying to offer into evidence as the bank document.

I don't know which one is the right document. For that reason, I have to object. As I say, it is not a matter of any great moment but nonetheless I can't allow a document -- if there were no conflicting document, I guess I would not object but since there are two different ones, I don't know which one is the right one.

MR. COLE: The original document that we gave them, Your Honor, I am sure was produced during grand jury.

THE COURT: Is that Defendant's 14?

MR. COLE: Yes. It was given to them almost a year ago. The one I have here with me today I frankly did not compare it to the one we had --

THE COURT: Which is 55A.

MR. COLE: Yes, which was provided to us by the bank pursuant to a subpoena for the trial. Now, the only thing I can surmise out of this is that probably there are two different copies of similar documents, different bank ledgers that contain the same information. Other than the difference noted by Mr. Lewin, I don't think there is a difference.

MR. LEWIN: There is a whole different entry at the bottom of the page.

THE COURT: All this witness was being asked to testify to was did this come from the bank ledgers and he said he assumed someone at the bank could say so but he couldn't say so. At this time I don't think he can force him to say that which is not in his memory. I think it has to be withdrawn or put aside at this point.

MR. COLE: I will withdraw it at this time.

THE COURT: Will we have a similar problem with 55B if that is going to be offered?

MR. COLE: That won't be offered.

THE COURT: It is listed as $60,000 loan.

MR. LEWIN: It may be.

MR. COLE: I won't offer it at this time.

(End of bench conference).

DIRECT EXAMINATION (Resumed)

BY MR. COLD:

Q. Mr. Meade, going back to my other question, do you know whether or not the loan was given to another bank?

A. I really don't remember, sir, but I have participated loans out to other banks.

Q. You don't remember whether this one was "participated", is that the term?

A. No, sir, I don't.

Q. Did there come a time when you also made a loan to Mr. Hansen yourself?

A. Yes, sir.

Q. Do you recall about when that was, Mr. Meade?

A. I believe November of 1981, sir.

Q. Mr. Meade, I would like to show you what has previously been marked as Government's Exhibit 52. Have you seen that before, sir?

A. Yes, sir.

Q. Could you tell the jury what it is?

A. It is a note dated November 21st, 1981, in the amount of $50,000, payable on demand, at the rate of interest of prime plus one percent, signed by G. Hansen.

Q. Is there a date on it?

A. November 21, 1981.

Q. Is this a note signed by Mr. Hansen to you for this loan?

A. Yes, sir.

Q. Could you tell the circumstances of this loan going to Mr. Hansen, to the jury, please?

A. Well, to the best of my memory, the congressman discussed with me by phone the possibility of needing to borrow a sum of money -- I don't remember whether he discussed $50,000 or what -- for the purpose of promoting a book or books that he was having published.

Q. Did he call you about this?

A. Did he call me to get the loan, is that what you are saying, sir?

Q. Yes.

A. Well, I don't know whether the purpose of his call was just to discuss the matter of borrowing the money. I don't recall having just one conversation where Congressman Hansen called me and said, "I need to borrow $50,000. Will you loan it to me?" It was just in a conversation or conversations we had.

Q. There wasn't one point where he said to you, "Mr. Meade, I need some money. Could I borrow it from you"?

A. I would think that wouldn't have been out of the ordinary for him to say that, no, sir, but I just don't recall one conversation with him about it. You know, I recall having conversations where he said he needed to borrow some money and asked if I could help him in any way to raise some money, or to borrow the money.

Q. You were asked if you could help him raise money. Did you ever talk about actually giving him money?

A. Actually giving him money?

Q. Or loaning him money?

A. Yes, I talked to him about, in those conversations, about I might could possibly loan him some money.

Q. But you can't remember any specific conversation you had where he asked you to borrow $50,000?

A. I am sure he asked me. I don't know whether he just asked specifically $50,000 or not, but, you know, I remember having conversations where he and I discussed the possibility of my lending him monies.

Q. Where was that note signed?

A. In Lebanon, Virginia.

Q. Is that near where you live?

A. Yes, sir.

Q. Where in Lebanon, Virginia?

A. First Russell County Bank & Trust Company.

Q. Do you know what day of the week it was?

A. To the best of my memory, sir, it was on a Sunday.

Q. Was the bank opened or closed?

A. Closed.

Q. Were you involved at all with the First Russell County Bank?

A. Yes, sir.

Q. How were you involved in it?

A. I was the organizer of First Russell County Bank and owned stock and contributed to the operation of that bank, the management of the bank.

Q. I would like to show you what has previously been marked as Government's Exhibit 53. Have you ever seen Government's Exhibit 53 before, Mr. Meade?

A. I believe I have, sir.

Q. Could you tell us what it is?

A. It is a cashier's check on First Russell County Bank and Trust Company dated November 21st, 1981, payable to George Hansen, in the amount of $50,000.

Q. Who signed it?

A. Martha Cartmell.

Q. Does that check relate to the $50,000 money that you loaned to Congressman Hansen?

A. Yes, sir.

MR. COLE: Your Honor, I would move Government's Exhibit 53 into evidence.

MR. LEWIN: No objection.

THE COURT: It is in evidence, without objection.

(Whereupon, Government's Exhibit
No. 53 was received into evidence).

BY MR. COLE:

Q. Mr. Meade, you said the bank was closed at the time?

A. Yes, sir.

Q. How did you get the cashier's check issued?

A. Well, I am the one that typed the amount in the check. I don't recall having done this but I am sure I did call Martha Cartmell or someone at the bank, First Russell County Bank, and asked them to leave a cashier's check or cashier's checks somewhere in the bank where I could get to them or have access to them.

Q. Were your instructions for her to leave them blank?

A. Yes, sir, my instructions would have been that, yes, sir.

Q. Then you and Congressman Hansen went in the bank together?

A. Yes, sir.

Q. On a Sunday?

A. Yes, sir.

Q. And transacted this business?

A. Yes, sir.

Q. He signed the note in the bank?

A. Yes, sir, to the best of my memory he did, sir.

Q. What are the terms of your note to Congressman Hansen? When is it due? How long is it for?

A. Payable on demand.

Q. Any specific time that he has to pay that back?

A. No, sir.

Q. Any interest payments required on that?

A. To the best of my memory, sir, it was just agreed at the time maybe the loan was made that the loan would be paid out by spring, of the coming year.

Q. So it would be spring of 1932?

A. Yes, sir.

Q. But no agreement that there would be interest paid periodically?

A. Well, you know, if that was our agreement, and to the best of my memory that was what we agreed on verbally, then I wouldn't have necessarily asked for an interest payment from November up until April.

Q. My question was, was there an agreed upon amount of interest that would be paid at a specific time, Mr. Meade?

A. There was an agreed upon rate of interest to be paid.

Q. I am talking about schedule of interest payments.

A. It is not in here, sir.

To my memory, I don't remember, you know, having any verbal agreement with him like he would pay it yearly or monthly or however.

Q. Was there any collateral issued by Congressman Hansen for this loan?

A. No, sir.

Q. Just his own signature?

A. Yes, sir.

Q. Nothing you could take back in return if he wasn't to pay on the loan?

A. No, sir.

Q. Did he pay the money back in the spring?

A. No, sir.

Q. Did he pay the money back the following November, in 1982?

A. No, sir.

Q. Did he make any interest payments during 1982 to you?

A. No, sir.

Q. Did he pay the money back by the following November of 1983?

A. No, sir.

Q. Did he make any interest payments to you during 1983?

A. No, sir.

Q. When did he pay you back, Mr. Meade?

A. It has just been recently, I believe, in February or March of this year.

Q. Of this year?

A. Yes, sir.

Q. 1984?

A. Yes, sir.

Q. I assume that was with all the interest owing?

A. I am sorry?

Q. I assume that was with all the interest that was owed to date?

A. Yes, sir.

Q. Now you said Congressman Hansen loaned you this money and he was going to, I believe you said, "promote his book," that was the purpose, when you loaned him this money he said it was going to be used to promote his book?

A. Yes, sir.

Q. What did you understand "promote" to be?

A. Well, "promote" would be to advertise or sell, and there was a discussion, to the best of my memory, of something about a mass mailing of some type or sort, and it would be the general merchandising of the book or books.

Q. This would be a business venture?

A. Yes.

Q. Was it your understanding that Congressman Hansen expected to make a profit off of this business venture?

A. Well, I don't know that it was my understanding that Congressman Hansen would make the profit, but it was my understanding that there would be enough proceeds generated from the sale or sales of these books to repay my loan, sir.

Q. When I speak of promotion, the promotion that you were speaking of was promoting the book so that money could be made, is that right?

A. Yes, sir.

Q. Who was this loan to?

A. Mr. Hansen.

Q. Who did you expect to use the money?

A. Who did I expect to use the money?

Q. When you made the loan.

A. Well, sir, I either expected Congressman Hansen or some group or organization to use the money for the purpose that was stated.

Q. Of promoting the book?

A. Yes, sir.

Q. Who did you expect to be paid back by?

A. Well, sir, I expected that Congressman Hansen would repay me.

Q. You didn't expect any group or organization to repay you, did you?

A. Well, sir, at the time I was looking to Congressman Hansen to repay me.

Q. Who did repay you?

A. I assume, sir, Congressman Hansen did.

Q. You got a check, didn't you?

A. Yes, sir.

Q. Was it a check from him?

A. Yes, sir.

Q. He repaid you then, didn't he?

A. Yes, sir.

Q. Mr. Meade, what was this book about that you were trying to help the congressman promote?

A. Well, sir, it was my understanding that there would be a second book. The first book was pertaining to something of the Internal Revenue Service and the second book was to pertain to the Iranian hostage situation.

Q. Wasn't it your understanding you were promoting the second book?

A. Well, I don't know whether it was definitely understood. I was more interested in promoting the second book than I was the first.

Q. It was your understanding the first was already finished, is that right?

A. Well, I understood that it was -- it had already been printed, yes, sir.

Q. Mr. Meade, have you ever heard of a thing called a hydrogen car?

A. Yes, sir.

Q. Is that a car that runs on water?

A. Well, it was supposed to have, sir.

Q. Who first told you about it?

A. A man by the name of Wiley Fancher and Premier Peterson of Queensland, Australia.

Q. When do you know when it was Mr. Fancher and Mr. Peterson told you about this?

A. To the best of my memory, sir, it would have been in the fall of 1980.

Q. What did they tell you about this car?

A. They told me that the Premier had driven such a vehicle and that it generated the hydrogen on board that it burnt or that it operated on, and that it would operate like four or five hundred miles on, to the best of my memory, four or five gallons of water, distilled water.

Q. They told you the Premier had driven it?

A. Yes, sir.

Q. Did they tell you how they were going to manufacture this?

A. No, sir.

Q. Did anybody mention to you that it involved a nuclear reactor on the car?

A. Yes, sir.

Q. Was that the method through this nuclear reactor?

A. That was told me later, sir.

Q. That was later?

A. Yes, sir.

Q. What was your involvement with the hydrogen car?

A. Well, to explain that, sir, expect I was to be involved from a business standpoint of trying to -- if there was such a vehicle and if this gentleman did have such an invention, that I would be involved in the distribution or manufacturing or whatever of the vehicle.

Q. Were you looking to invest in it if it worked out?

A. Yes, sir.

Q. Hoping to make some money?

A. Yes, sir.

Q. Were you trying to also get backers in the United States for this project?

A. Well, I don't know whether it was backers or not, but I tried to get other people involved to the standpoint that they would either manufacture or sell the vehicle.

Q. Were you trying to get other people involved in investing in it?

A. Yes, sir.

Q. Did those people include the United Coal Company at one point?

A. Yes, sir.

Q. They ultimately dropped out?

A. Yes, sir.

Q. Why did they drop out, Mr. Meade?

A. Because none of us could ever see such a unit or see it in operation or we could never see any test results or anything of such a unit.

Q. Would it be safe to say they dropped out because they were skeptical about whether there was such a unit?

A. Yes, sir.

Q. After United Coal Company dropped out, did Mr. Rogers and Mr. McAfee become interested?

A. Yes, sir.

Q. You had told them about it, is that right, is that how they learned of it?

A. Well Wiley Fancher, and I, I believe together, told them about it. Mr. Fancher was in the United States at the time.

Q. Had Mr. Fancher made any efforts to get any people to test this car from this country before then?

A. Had he made any effort, did you say?

Q. Right.

A. At that time, it was my understanding that -- well, sir, Mr. Fancher had told me there would be a test made in Canada at one point and we flew to Canada and there was no such test.

Q. How about people from the United States to test it?

A. Well, whether he had actually tried to get those or not, I don't know, sir, I mean prior to this time.

Q. Anybody ever mention anything to you about getting some Army people, some people from the Redstone Arsenal in Huntsville, Alabama, to test it?

A. Yes, sir.

Q. Didn't Mr. Fancher tell you some names of people who he thought could test it?

A. Yes, sir.

Q. Had not he in fact tried to get those people released earlier and the Army wouldn't do it?

A. That statement was made to me by someone else, sir, but as I say, at the time I didn't know that. I was not aware of that, sir.

Q. When you talked to Mr. Fancher about these Redstone Arsenal people, getting them to go, did he tell you you were going to need approval of the Secretary of the Army to get them to go?

A. Well, somebody told me that. I really don't remember today whether it was Mr. Fancher or who, but somebody.

Q. You heard you needed approval of the Secretary of the Army?

A. I wasn't told, I don't think, that I necessarily needed the Secretary's approval but it took Army or Pentagon approval for these people.

Q. Hadn't you also been told you were going to need Congressional influence to get this approval, Mr. Meade?

A. To the best of my memory, sir, up to that point, no, sir.

Q. Up to which point now?

A. Up to the time that we met with the Secretary or with the Army people.

Q. Mr. Fancher hadn't told you about this, Mr. Meade?

A. No, sir.

Q. The need for Congressional approval?

A. To the best of my memory today, sir, I don't remember that, no, sir.

Q. Do you remember testifying in the grand jury about this, Mr. Meade?

A. Yes, sir. I don't remember my statement in the grand jury but I remember testifying in the grand jury.

Q. Page 16.

THE COURT: Page 16?

MR. COLE: Yes, Your Honor.

BY MR. COLE:

Q. Mr. Meade, do you recall being asked this question and giving this answer; start at line 19:

"Anybody ever mention to you the need to get Congressional influence in order to get these people freed up by the Army?

"Answer: Not that I remember directly. Could have but I don't remember.

"Question: Did Mr. Fancher ever mention that to you?

"Answer: Mr. Fancher, I am sure, probably -- I don't remember any particular conversations, but, probably during the course of several or many conversations I had with him, he could have said that."

Then going onto page 18, starting actually at the bottom of page 17, line 23.

MR. LEWIN: Could you please start that question at page 17, line 10?

THE COURT: There is some more language there that might be appropriate, Mr. Cole.

MR. COLE: "Question: The statement would be that Congressional influence is what it would take to get the army to release these men to go to Australia?

"Answer: (Pause) I really don't remember, you know, him making a statement such as you made, and I really don't, you know. I am sure that maybe during some of the conversations that the conversation might have gotten around to, well, maybe it would take Congressional influence to get these people permission to go. But, no, I don't remember any particular one conversation or recall any one conversation it might have been brought up in.

"Question: Do you recall being interviewed by Special Agent Thomas Hoy of the FBI?

"Answer: Yes, I do.

"Question: Do you recall telling him words to that effect, that Mr. Fancher had told you that Congressional influence was what it was going to take?

"Answer: No, I don't remember making that statement that way. I am not going to say I didn't make it, but I really don't remember making that statement just exactly the way you said it.

"Question: Anything close to that statement?

"Answer: Well, I just got through saying that I am sure, in the course of several conversations, it probably came up, that it would take Congressional influence maybe to get these people permission to go."

BY MR. COLE:

Q. Do you recall being asked those questions and giving those answers, Mr. Meade?

A. Yes, sir, I do.

Q. Were they true at the time you gave them?

A. Well, sir, to me what I was actually saying there was that it wouldn't be out of the ordinary for that -- for such a statement to have been made in one of those conversations. But to recall or remember any one conversation that that was said, I don't. I mean, that is what I was saying at that time and that is what I am still saying, sir.

Q. Do you recall telling Mr. McAfee of this need for Congressional influence?

A. No, sir.

Q. You never told him this?

A. I am not saying I didn't. I am saying I don't remember ever having said that.

MR. COLE: Again, Your Honor, page 18 -- excuse me, page 19, starting at line 10:

"Had you ever mentioned to Mr. McAfee that maybe Congressional influence might be needed in order to --

"Answer: I had discussed with Carl that maybe we need to call on, like, Congressman Bill Wampler or Senator Harry Byrd."

MR. LEWIN: This relates to the appointment of the Secretary of the Army and I believe Mr. Cole should begin reading from page 18, so that it is clear that what we are talking about is a call to a congressman regarding the appointment with the Secretary, not the other matter.

THE COURT: Mr. Lewin, it does skip a little bit back and forth, which is why I don't think it is necessary to read that at this time, but certainly you can when it comes your opportunity for cross-examination. It doesn't have quite that same flow as the preceding matter did.

You may continue, Mr. Cole.

MR. COLE:

Q. "Answer: I had discussed with Carl that maybe we need to call on, like congressman Bill Wampler or Senator Harry Byrd or somebody that maybe could have some inroads into the Army."

Do you recall being asked those questions and giving that answer?

A. Yes, sir.

Q. Again, back to page 18, line 13:

"Was Congressman Hansen ever contacted in this regard?

"Answer: Yes, but not by me.

"Question: Who contacted him?

"Answer: As far as I know, Carl McAfee."

Do you recall being asked that question and giving that answer, Mr. Meade?

A. Yes, sir.

Q. You say today that you didn't tell Carl McAfee the need for Congressional influence?

A. Not just the way you are stating it, I don't remember having made, you know, the remark. Again, I am sure that it would not have been out of the ordinary in a conversation with Carl McAfee to have made the statements as you just read that I made before the grand jury.

Q. Mr. Meade, what was your purpose in contacting the Army concerning the hydrogen car?

A. To try to get some physicists permission or get permission for certain physicists from Redstone Arsenal to go to Australia to test the hydrogen car.

Q. Was there any financial interest you had in this?

A. Did I have any financial interest?

Q. Yes, Mr. Meade.

A. I didn't at the time, other than my expenses of going here and there and telephone calls and so forth. If you are saying I invested funds at that time?

Q. No, I am asking if you were thinking that you might make money if the Army went or that the project might get money if the Army went.

A. I was thinking if the project went through I would be making money, yes, sir.

Q. Did you ever think you were going to get financial backing of the U.S. Government and that was the reason you were going to the Army, for the hydrogen car project?

A. I am sorry, sir. I don't understand the question.

Q. Did you ever think you were going to get financial backing from the U.S. Army for the hydrogen car, was that part of your reason for going?

A. For going to where?

Q. To the Pentagon, to the Army.

A. No, sir. I mean, my going to the Pentagon or the Army to get these physicists released, I certainly didn't think at that point in time that I would have any government backing, as it were, financial government back, is that what you are saying?

Q. You never thought that?

A. Are you saying financial government backing?

Q. Yes.

A. No, sir.

MR. COLE: Counsel, I refer you to page 3 of the Telex, bottom half.

THE COURT: Page?

MR. COLE: Let me see if I can find you a copy.

THE COURT: That is all right. Let's not take the time.

BY MR. COLE:

Q. Do you recall sending a Telex to Mr. Wiley Fancher in Australia concerning the hydrogen car?

A. I did not recall until you showed me a copy.

Q. Was that a copy of a Telex you sent to Mr. Fancher?

A. Yes, sir.

Q. Do you recall saying the following to Mr. Fancher, starting at the second photograph.

MR. LEWIN: Are you marking that as an exhibit of some kind?

MR. COLE: I am using it as a prior statement.

MR. LEWIN: It ought to be a document that is marked, even just for identification.

MR. COLE: I will be happy to.

THE COURT: What would be the government's next exhibit number?

MR. COLE: We mark Government's Exhibit No. 60, Your Honor, for identification.

(Whereupon, Government's Exhibit No. 60 was marked for identification).

BY MR. COLE:

Q. Do you recall saying this to Mr. Fancher, in this Telex:

"At the present time McAfee has got me on standby to fly privately to Washington, D.C. tomorrow at 11:00 a.m. to meet with Secretary Marsh, Secretary of the Army. Marsh has been in California all week and will get back into D.C. tonight. Quite frankly, I will probably get murdered by Shirley because, as you know, my daughter Nancy's wedding is Saturday. I promised to take Thursday and Friday to help her with financial arrangements. However, if" --

MR. LEWIN: "Final arrangements."

BY MR. COLE:

Q. "Final arrangements," thank you. "However, if Marsh gets back and can see us, I will go. If he cannot see us, we will not be able to see him until tomorrow or Monday.

MR. LEWIN: It says, "We will not be able to see him until Monday."

MR. COLE: Thank you, counsel.

"We have been told we can see Marsh as soon as he gets back. We were assured of this by Judy Peeche on the White House staff, and Hansen."

MR. LEWIN: I think the Telex says "Hensen".

MR. COLE: Hensen.

MR. LEWIN: H-E-N-S-E-N.

BY MR. COLE:

Q. Who are you referring to as H-E-N-S-E-N?

A. I am sure at the time it meant Congressman Hansen.

Q. Next paragraph,

"This meeting is for the purpose of getting the approval for the scientist in Huntsville, Alabama, to test the process in Australia. We have been assured if process proves successful, we will have the full financial backing of the U.S. Government. This will be through different grants, energy commission, direct and et cetera."

Did you send that Telex to Mr. Fancher?

A. I am sure I did, sir.

Q. You told us here today that you were not seeking financial backing from the U.S. government?

A. No, sir, I was not.

Q. How do you reconcile the two?

A. That was pure puffery in that, in stalling Wiley Fancher and Premier Peterson, because they were pushing to get the test or get something done fast, soon, or whatever, and that was just statements to stall and put them off, sir.

Q. So it wasn't true?

A. More or less keep them off of our back.

Q. It wasn't true, was it?

A. I am sorry, sir?

Q. Are you telling us now that it wasn't true?

A. That was not true, no, sir.

Q. And that you were telling them something you knew not to be true at the time?

A. I guess you would have to say that, sir.

Q. Did you go meet with the Secretary of the Army, Mr. Meade?

A. Yes, we did.

Q. What was the date of that meeting?

A. Right now, sir, I don't remember, but I believe that is in my grand jury testimony, whatever the date was.

Q. Would it refresh your memory to see your grand jury testimony?

A. Yes, it would.

Q. Mr. Meade, had you written it on your hand in the grand jury?

A. Yes, I had, sir.

Q. Page 9, lines 7 through 9.

THE COURT: I am sorry, the question was about the Secretary of the Army?

MR. COLE: Correct, Your Honor.

MR. LEWIN: Before the witness answers, may I voir dire him with regard to that?

MR. COLE: This is just used for refreshing his memory. If it does, it does; if it doesn't, it doesn't.

THE COURT: We will wait for a moment, Mr. Lewin and we will see.

But don't read it out yet, Mr. Meade.

BY MR. COLE:

Q. The witnessing is pointing to me, Your Honor, page 8, Your Honor, lines 18 through 20.

Does this refresh your memory, Mr. Meade?

A. Yes.

MR. LEWIN: May I voir dire the witness? I object to that.

(Bench conference)

THE COURT: What I am trying to locate in the grand jury testimony in the pages that have been cited is a reference to the meeting with the Secretary of the Army as distinguished to a meeting with Mr. Hansen. I see Mr. Hansen's name written on the pages but at the moment I don't see the Secretary of the Army. I find the reference to writing something on the hand.

MR. COLE: I think that is what he is using to refresh his memory. Also page 21, it kind of comes out of several different statements, Your Honor. I am not offering the statements into evidence at this time. I am only using them to try and bring the dates back to Mr. Meade's memory that he did have written on his hand at the time, and if that brings it back, I mean, if I gave him a comic book and that refreshed his memory, I think that would be sufficient.

MR. LEWIN: It seems to me I am entitled to voir dire.

This man has no recollection of any date at all. That refreshes him as to a date he wrote on his hand.

THE COURT: I think we need some more foundation, I will agree with you, Mr. Lewin and perhaps Mr. Cole can do that. Perhaps you can tie it together, because clearly it would have to be tied together a little bit better than what has been suggested at this moment.

MR. LEWIN: Your Honor, might I please, before the witness testifies to any particular date, I would like to be able to voir dire him whether this refreshes his recollection or whether it simply is an indication of what he wrote on his hand.

THE COURT: If it has been made clear through the questions of Mr. Cole, then it will be unnecessary.

(End of bench conference).

BY MR. COLE:

Q. Mr. Meade, at the time you came to the grand jury, did you write some dates on your hand?

A. Yes, sir.

Q. Was one of those dates the date you met with the Secretary of the Army?

A. Yes, sir.

MR. COLE: Your Honor, at this time, I would say that that establishes the foundation.

THE COURT: Not necessarily.

Mr. Meade, from where did you obtain the date that you had written on your hand?

THE WITNESS: As well as I remember, I called my wife and had her to look it up on a file that I had.

THE COURT: On a file?

THE WITNESS: Like a file folder. No, I believe we established it by the date that my daughter was married.

BY MR. COLE:

Q. What was the date of your daughter's wedding, Mr. Meade, do you remember that?

A. It would have been July 25th, 1981, if that is on a Saturday.

Q. Would your meeting with the Secretary of the Army have been two days prior to that, on a Thursday?

A. Yes, sir.

Q. Could I ask you now, if you can, to reconstruct at this time what the date of the meeting with the Secretary of the Army was?

A. To the best of my memory, July 23rd, 1981.

Q. Do you know who set that meeting up?

A. Are you asking do I directly know who set the meeting up, sir?

Q. I am asking you if you have knowledge of who arranged the meeting.

A. I was told, sir, that Congressman Hansen had made it.

Q. Was Mr. Hansen there at the meeting with you at the time you met the Secretary of the Army?

A. To the best of my memory, only through the introduction.

Q. He left at that point?

A. Yes, sir, to the best of my memory, he did.

Q. Again, Mr. Meade, the purpose of your meeting was to get some specific scientists from the Redstone Arsenal released to go to Australia?

A. Yes, sir, to get permission for them to go to Australia.

Q. You were dealing with some specific people that you wanted to go, is that right?

A. Yes, sir.

Q. These people's names were provided to you by Mr. Fancher?

A. Yes, sir.

Q. You met with the Undersecretary of the Army that day, is that right?

A. Yes, sir, and it seems to me like there might have been another individual sitting at the meeting. I don't remember who it was. It seems like it was someone from the Pentagon who sat in on the meeting.

Q. They didn't give you an answer at this meeting?

A. No, sir.

Q. Did you get an answer to your request shortly thereafter as to whether these people could go or not?

A. I don't remember how shortly, but we got an answer after that.

Q. Did you talk to somebody at the Pentagon?

A. Yes, sir.

Q. What were you told about the hydrogen car project at that point, Mr. Meade?

A. Well, I really don't recall any specifics that I was told, but I was told, or at least I got the feeling, that everyone that I had a conversation with was very skeptical of any such process or vehicle.

Q. They didn't think it would work?

A. More or less, yes, sir.

Q. Were you told that these specific people you were asking for were not really the people the Army would send, even if it wanted to send people?

A. To the best of my memory, sir, we were told that maybe that there were better qualified people to do such a test than the people whose names we had submitted, sir.

Q. Were you ever told that this was not really an Army project?

A. I really don't remember, sir. Probably, but I really don't remember, sir.

Q. Were you ever told this was more appropriately a project for the Department of Energy and not for the Army?

A. To the best of my memory and belief, I was told that somewhere, sometime, because I later got a letter from the Department of Energy in regard to that. But as to who made that statement to me, sir, I don't recall exactly who and where, where it was made.

Q. Were you ever told that there were specific Army procedures that you would have to go through if you wanted to get this proposal in front of the Army for review and that you were not following those procedures? Were you told that?

A. I really don't remember, sir, whether I was or not.

Q. Mr. Meade, did you go to Australia?

A. Yes, sir.

Q. Do you remember when you went to Australia?

A. August of 1981, but the exact date I don't remember, sir, again.

Q. Again, was it in the grand jury, Mr. Meade?

A. Yes, sir, I believe it was.

Q. Where did you obtain the information when you had it in the grand jury?

A. From my hand.

Q. Where did you get the information to put on your hand? Did you have records that you looked at in your home?

A. Yes. I believe I had to call my wife, or daughter, one. Anyway, I got it from some type of record that I had at home.

MR. COLE: Counsel, grand jury page 5, lines 19 through 22.

MR. COLE:

Q. Mr. Meade, I ask you to read those lines and ask you if that refreshes your memory?

A. Which lines, sir?

Q. 18 through 22, actually, 19 through 22.

A. I thought the question was when I went to Australia.

Q. Correct, line 19, starting right there.

A. Yes, sir.

Q. Does that refresh your memory, Mr. Meade?

A. Yes, sir.

Q. What date did you go to Australia?

A. August 14th, 1981.

Q. When did you return?

A. August 24th, 1981.

Q. What was your business in Australia?

A. It was to check into or pursue the hydrogen car deal and also to check on a ranch operation I had in Australia that wasn't doing too well at the time.

Q. Who was there with you in Australia?

A. Carl McAfee, my wife and son-in-law.

Q. Did Mr. McAfee leave the same day you did?

A. Yes, sir.

Q. August 14th?

A. Yes, sir.

Q. Mr. McAfee was there with you, as another person financially interested in the hydrogen car?

A. Yes, sir.

Q. You went to Australia after you had heard from the Pentagon, after they had told you it probably wasn't a good project?

A. I really don't remember today, sir, whether it was before or after.

Q. When you came back from Australia, did you go down to Huntsville, Alabama, sometime after that?

A. I went to Huntsville, Alabama. Again, I don't remember today whether that was just before going to Australia or after getting back from Australia.

Q. The date September 30th, 1981, doesn't ring a bell as far as when you were in Huntsville meeting with people?

A. No, sir, September 30th, 1981, doesn't ring any bell with me.

Q. Who was there with you when you went to Huntsville?

A. Carl McAfee.

Q. Your purpose there in Huntsville?

A. Well, again, I guess it was to talk to the physicists to see if there was a possibility of them still going to -- well, either going or testing. We didn't really care where the unit was tested, whether it be tested in the United States or Australia. We wanted to see if they would have any interest, or was there still any way they could go or did they have any interest in going.

Q. You say you are not sure the date of when you went to Huntsville but you know the purpose of your trip was to try to get these people to go to Australia?

A. Yes, sir.

Q. Did you find that there was any resistence from their superiors to their going, during this trip?

A. Any resistance from their superiors, sir?

Q. Yes, were their bosses telling them they couldn't go?

A. I don't remember whether it was, you know, whether anything was mentioned during that trip or not, sir, as to that.

Q. Did you ever tell any of these people in the Redstone Arsenal that you would try and get somebody at the Pentagon to help them go, to release them?

A. Well, sir, I believe when we made the trip, I believe when we made the trip, sir, that they were already aware that we had contacted the Pentagon on behalf of getting them to go.

Q. Was that part of what you discussed with them when you were there, when you were talking to these scientists that you wanted to go?

A. The problem, sir, is I really don't remember what we discussed or everything we discussed. I couldn't tell you verbatim what we discussed at all.

Q. Did you make any efforts, after that trip, to have the Pentagon contacted to release these people?

A. To the best of my memory today, sir, I don't remember.

Q. Did you ever ask Congressman Hansen to contact the Pentagon on your behalf to get these people released?

A. To the best of my memory today, sir, I could have, sir, I am not saying I did or I didn't, but just to the best of my memory, no, sir.

Q. You are saying you don't remember whether you did or didn't ask Congressman Hansen to do this?

A. I don't remember whether I did or didn't.

Q. This isn't something that would stick in your mind at all, Mr. Meade?

A. Not with all the conversations I might have had with Congressman Hansen.

Q. You understand my question, it is whether you asked Congressman Hansen to contact the Pentagon on your behalf to get these people released to go to Australia?

A. Today, sir, I don't remember having done that. To the best of my memory and belief today, no.

Q. You are saying you just don't know?

A. I am saying to the best of my memory and belief, you know, I don't know.

Q. Did Mr. McAfee go to Australia again after you were in Huntsville, Alabama?

A. Yes, sir, I believe it was after we were in Huntsville, Alabama. I am not sure of the date when we were i Huntsville, Alabama, but Mr. McAfee did go back to Australia.

Q. A second time?

A. Yes, sir.

Q. Without you?

A. Yes, sir.

Q. That was in October of 1981?

A. Yes, sir.

Q. Do you know what his purposes were in Australia on that trip?

A. Well --

MR. LEWIN: I object to this witness testifying to what Mr. McAfee's purpose was in going to Australia. How does he know?

MR. COLE: If I may ask one foundational question.

BY MR. COLE:

Q. Was he doing in business for you in Australia?

A. Yes, he was.

Q. Do you know what business you had told him to do in Australia?

A. Yes, sir, to check on my ranch operation and to employ a qualified attorney and CPA to try to straighten out some of my affairs in Australia.

Q. Was he going to contact anybody about the hydrogen car?

A. To the best of my memory, I didn't have any knowledge at all that that was going to take place at the time that he went.

Q. You and Mr. McAfee were involved in the hydrogen car together, though, weren't you?

A. Yes, sir.

Q. You were involved together for the full time that either one of you were involved, isn't that right? You both lost interest at the same time?

A. That, sir, I don't know. Mr. McAfee could have been involved longer than me or shorter than me. I don't know how long Mr. McAfee had been involved.

Q. Did you make a call back to the Huntsville arsenal to a Dr. Thomas Miller concerning the hydrogen car, Mr. Meade?

A. Well, I either made a call to them or they made calls to me, sir. I don't remember who.

Q. Do you remember at one point calling Mr. Miller and telling him that your efforts at the Pentagon had failed as far as getting them released? Do you recall a conversation like that with him?

A. As to whether my effort had failed?

Q. That is correct, sir.

A. Well, again, it would have been an ordinary thing for me to make the statement, "Well, it looks like that I can't get permission from the Army for you to go".

Q. Did he then tell you what his superior had told him, that he couldn't go?

A. One of the gentlemen from Huntsville made a statement to me, that I think you are getting to, sir, and I don't remember exactly which gentleman that would have been, sir, which physicist that would have been.

Q. Do you recall making a statement to Mr. Miller in this conversation, Dr. Miller rather, that you would have Congressman Hansen call him if he was worried about losing his job?

A. To my memory today, I don't remember having said that. Again, it would have been a normal, ordinary part of my conversations I might have had with him.

Q. Do you recall discussing that subject in the grand jury?

A. Not right off, sir. I probably did.

Q. You have no recollection at this time of making any statement to Dr. Miller that you would have Congressman Hansen call him about going to Australia on the hydrogen car project?

A. I am saying today I just don't remember having made that statement. I am saying that it would have been -- to me, it would not have been out of the ordinary type of conversation that I had with him to have made that statement, sir.

Q. I am not asking you to speculate, Mr. Meade. I am just asking you if you remember making that statement?

A. No, I don't remember making the statement, no, sir.

Q. Would your grand jury testimony refresh your memory at all, sir?

A. It could, sir.

MR. COLE: Your Honor, page 24, starting at line 18, going through page 25, line 3.

MR. COLE:

Q. Mr. Meade, I will ask you to read this to yourself and see if this refreshes your memory, starting at line 18 on page 24 through line 3 on page 25.

A. Again, sir, my memory was much better then pertaining to the hydrogen car thing than it is today.

Q. Does this refresh your memory, Mr. Meade? Do you now have a present recollection of having made this statement?

A. Do I have a recollection of having made the statement that is in there?

Q. Or have a recollection of having made these statements to Mr. Miller?

A. I am sure I made the statements in there, but as to today, I just really don't remember having made the statement. But like I said, I could remember things a year and a half ago, that I don't remember today, sir.

Q. When you said this in the grand jury, was it true at this time?

A. I am sure it was.

MR. COLE: I would like to have the witness read the section that I have pointed to, Your Honor.

THE COURT: All right, starting at page 24?

MR. COLE: Page 24, line 16, through page 25, line 3.

BY MR. COLE:

Q. Would you read that to the jury, Mr. Meade?

A. "Question: Did you ever ask Mr. Miller if a call from Congressman Hansen of Idaho might help change his mind as far as whether he could go on his own in spite of Army orders?

"Answer: It seemed to me like I did. Seemed to me like I did.

"Question: What was his reply?

"Well, I don't remember whether I said Congressman Hansen or not, but it seemed to me like I asked him if he could be assured by a congressman or somebody that he wouldn't lose his job or something, would he go on his own."

Q. That was the truth when you said it, Mr. Meade, is that correct?

A. Yes, sir.

Q. Mr. Meade, were you having Congressman Hansen make efforts on your behalf with the Pentagon to get these people released?

A. I am sorry, sir, what was the question?

Q. Were you having Congressman Hansen make efforts on your behalf, with the Pentagon, to get these people released to go to Australia?

A. I wasn't having Congressman Hansen to do anything on my behalf.

Q. You weren't having him do anything for you in this regard, is that what you are saying?

A. I am saying that Mr. McAfee -- I was told that Mr. McAfee and told by Mr. McAfee that Mr. Hansen got the appointment at the Pentagon.

Q. Had you ever asked Congressman Hansen to call the Pentagon after that and encourage the Pentagon to let these people go to Australia?

A. Again, that would have been an ordinary conversation I might have had with him. I don't recall or remember at this time any one particular conversation or having done that, sir.

Q. Did you make requests to Congressman Hansen in that regard in return for the $50,000 you gave him?

A. No, sir.

MR. COLE: I have no further questions at this time, Your honor.

THE COURT: Cross-examination.

MR. LEWIN: Does Your Honor want me to begin the cross-examination now?

THE COURT: I am just going to check with the marshal and see if the coffee is back there, Mr. Lewin.

It is going to take about ten minutes for that. So let's start with cross-examination, and then even if we don't finish it, we will have our mid-afternoon recess, and perhaps one other before 7:00, if we think it is necessary, tonight.

About ten minutes, ladies and gentlemen of the jury, and, Mr. Meade, and, Mr. Lewin.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. In these few minutes before the recess, Mr. Meade, let's discuss that meeting of July 23rd, 1981. You first met Congressman Hansen on that day, is that correct? That is the first time that you ever met him?

A. Yes, sir.

Q. You had been told by Mr. McAfee that a meeting had been arranged with the Secretary of the Army?

A. Yes, sir.

Q. It is a fact, is it not, that you were surprised that a congressman was involved in that at all?

A. Well, it is a fact that I was maybe somewhat surprised that Mr. McAfee hadn't made the appointment direct, since it was my understanding that he already knew the Secretary of the Army.

Q. That is what I was referring to. You had been told by Mr. McAfee that he knew the Secretary of the Army and he could arrange and would arrange an appointment with the Secretary of the Army?

A. Well, I had been told that he knew the Secretary of the Army. I don't know that I was told that he could arrange the appointment.

Q. But what actually happened on the 23rd is you flew in to Washington, is that right?

A. Yes, sir.

Q. You went to a hotel, you checked into a hotel?

A. Yes, sir.

Q. Then you went over to the Congressional Office Building to pick up the congressman, is that it?

A. Sir, I don't remember how that occurred.

Q. Do you remember whether or not you went over to the Pentagon with the congressman or separately?

A. The congressman was with us when we went to the Pentagon.

Q. The congressman, however, just stayed for the introductions, is that right?

A. To the best of my memory, yes, sir.

Q. Then he left?

A. Yes, sir.

Q. In fact, the Secretary of the Army left shortly after the introductions as well, did he not?

A. Yes, sir.

Q. So you and Mr. McAfee were left to discuss the substance of your request with some assistant to the Secretary of the Army?

A. Yes, sir.

Q. The substance of that discussion were attempts made by you to persuade this official that there was substance to the hydrogen car?

A. I am sorry, sir. I didn't understand that question.

Q. What actually went on during that conversation? What were you trying to do?

A. In the conversation with the officials at the Pentagon?

Q. Yes.

A. A discussion was just held in regard to the hydrogen car. We keep saying hydrogen car. To me, this was just a process of taking hydrogen out of water and burn it as fuel in a vehicle, and it was to be burnt in any number of different engines and so forth, supposedly, and about the need for having some tests run in regard to the hydrogen process, and that we were trying to get, I guess, some physicists or somebody from the Army, somewhere, to run the tests.

Q. When you sent this Telex that Mr. Cole has asked you about to Mr. Fancher, he was in Australia?

A. Yes, sir.

Q. You were telling him that you would be seeing the

Secretary of the Army, and you had been assured of this by Judy Peeche, on the White House staff? Did you ever speak to a Judy Peeche on the White house staff?

A. Never in my life, sir.

Q. Also, the additional name you had in that Telex was a Hensen, H-E-N-S-E-N. Did you even know for sure what the spelling of the congressman's name was?

A. No, sir.

Q. You could have written Hensen, H-E-N-S-E-N?

A. Yes, sir, but it could have been a typographical error, too.

Q. When you said, "we were assured of this by Judy Peeche on the White House staff, and Hensen," you had not been assured of it by anyone, not by Judy Peeche or Hensen?

A. I had been told by Carl McAfee.

Q. This was, as you said, puffing to Mr. Fancher, to tell him that you had some connection high up in the government in some way?

A. Well, part of that Telex is that way, but the statement that you are making right there, I don't remember the date of the Telex but if it was sent just prior to our going, or coming to Washington, then that part of meeting with the Secretary would not have been puffery because it would have been my understanding that we did have a meeting.

Q. But in terms of having an assurance from somebody on the White House staff, you personally didn't have any assurance from anybody on the White House staff?

A. No.

Q. Also, do you know any Undersecretary Ambrose, A-M-B-R-O-S-E?

A. Well, I don't personally, unless that was the gentleman we met with that day at the Pentagon.

Q. Did you use Undersecretary Ambrose's name with Mr. Fancher in any way?

A. I am sorry, now?

Q. Did you use Undersecretary Ambrose's name with Mr. Fancher at all, also to impress him?

A. I believe that was in that Telex. Yes, sir, it would have been to impress him, yes, sir.

Q. You said that you met the congressman on July 23rd, 1981, in his office, is that right, before you went over?

I am sorry. You did not.

A. I don't remember exactly where I had met him.

Q. You said you had driven over to there with the congressman?

A. Yes, sir.

Q. After the meeting, did you ever meet with him again, on that day?

A. After we met with -- after we had the meeting in the Pentagon, yes, we met the congressman for just a short period of time in his office, as I remember.

THE COURT: Are you talking about the same day or another day?

THE WITNESS: The same day.

BY MR. LEWIN:

Q. Let me show you what is in evidence as Defendant's Exhibit 12, and ask you whether you received an autographed copy of that book on that day?

A. I received an autographed copy of a book on that day. It is embarrassing to the congressman for me, I don't remember whether it was this one, sir, or another one. I mean, it was his book. It sticks in my memory, sir, that it had a white cover on the book, but I did receive an autographed copy of it.

Q. Was the book about the Internal Revenue Service?

A. Yes, it was.

Q. Was the conversation then later that day general conversation about the book or the things the congressman was doing?

A. Sir, to the best of my memory, we were only in the congressman's office a very short period of time and I received a copy of the book. It seems to me like I might have received a favor of some type, like a pin shaped like a potato or something, and the congressman had to leave to vote on something in the assembly. Again, to the best of my memory, sir, I was only in there for a very short period of time.

MR. LEWIN: Can we take a recess now, Your Honor?

THE COURT: Fine. Even if the coffee hasn't arrived, this is a good point to take a recess.

Ladies and gentlemen, if the coffee hasn't arrived yet, it should be here momentarily. So let's take our recess for 15 minutes at this time.

Remember, do not discuss the case.

(Jury excused at 3:30 p.m.)

(Recess)

THE COURT: We were so long because we were waiting for the cafeteria to bring up some libations for our jurors. The cafeteria hasn't made it yet. It is on its way. I told them we would take another recess in an hour or an hour and 15 minutes from now, so the jurors will get whatever is waiting for them at that time, coffee and cokes. They now understand they will have to wait a little while.

Mr. Meade, if you will come back to the stand, we will bring the jury in again.

(Jury present at 4:00 p.m.)

THE COURT: Ladies and gentlemen of the jury, I am sorry that you didn't get the coffee and the cooler drinks that we had asked for you. There was some little mix-up in the cafeteria, which we hope won't occur in the future. In the event, there will be something in maybe an hour or an hour and 15 minutes. We will break then and hopefully you will have it at that time.

Mr. Lewin.

BY MR. LEWIN:

Q. Mr. Meade, I believe in your direct examination earlier this afternoon, you testified, in response to Mr. Cole's questions, about some difficulties that you got into with the law in April, beginning with about April of 1982, is that right?

A. Yes, sir.

Q. Is it accurate to say that these matters grew out of a -- well, it was originally sort of a routine bank examination that began at the beginning of April of 1982?

A. Well, it grew out of an examination, sir. I don't remember exactly what date the examination started on.

Q. Well, if I specifically directed your attention to April 5, 1982, does that sound about right?

A. Well, that would sound about right. I really was thinking maybe the examination started the latter part of March -- I really don't remember -- of 1982.

Q. If I told you that Mr. Reasor testified before the grand jury that the examiners came in on April 5, 1982, would that satisfy you?

A. Mr. Reasor certainly ought to know, sir.

Q. As a result of that examination, they uncovered these irregularities with which you had been involved, is that correct?

A. Yes, sir.

Q. I believe you testified that you resigned or you were asked by the board of directors of the bank to resign, and you did resign about April 29, 1982? I am not sure whether you testified to the date.

A. Somewhere in that timeframe, yes, sir.

Q. In fact, the examination was going on as of April 29, 1982. You did testify that it continued on beyond April 29, 1982?

A. I didn't understand I was testifying it went beyond April 29, because I really don't know or don't remember the date that the examination ended, sir. The examination did continue after I resigned.

Q. With regard to your resignation on April 29, 1982, you didn't send out notices or inform people about your resignation at that point, did you? Did you make it a matter of public notice?

A. Do you mean by sending out an official notice or a letter of any kind?

Q. Yes, right.

A. No, sir.

Q. Specifically even with regard to Congressman Hansen, with whom you had talked before, you didn't inform him you had resigned on April 29, 1982, did you?

A. No, sir. I might have had a conversation with him sometime or another and made that statement to him, but I don't really recall ever having made any statement of that nature to him.

Q. In other words, you can't pinpoint the time when Congressman Hansen learned about your difficulties growing out of this investigation, can you?

A. No, sir, not really.

Q. You don't know? There is no specific time that you know that you told him, "I am under investigation and I have resigned"?

A. No, sir.

Q. Until such time as you were under investigation and you resigned, these irregularities were concealed, were they not, nobody knew about them?

A. Yes, sir, yes, sir.

Q. In other words, there was no reason for Congressman Hansen to think at the time he dealt with you in November of 1951 and prior and thereafter that you were doing anything that was unlawful?

A. No, sir.

Q. Now, you testified, I believe -- well, maybe you didn't testify. Just tell us, when was it that you pleaded guilty to these charges concerning bank irregularities? Let me do what the government has done and show you --

THE COURT: Let me see if he remembers, first of all, and if not, of course we can try and refresh his recollection.

THE WITNESS: It would have been in the fall of 1982.

BY MR. LEWIN:

Q. Was it November of 1982?

A. Yes, sir.

Q. Is that your recollection, it is November of 1982?

A. Yes, yes, sir, to the best of my memory.

Q. That is when you pleaded guilty to these offenses in the United States District Court for the western district of Virginia, in Roanoke, is that right?

A. Yes, sir.

Q. It is a fact, is it not, that in December, specifically on December 7th, 1982, you were originally sentenced, is that correct?

A. Yes, sir.

Q. At that sentencing, the judge who sentenced you did sentence you to serve a term of imprisonment initially?

A. Yes, sir.

Q. He directed that that term of imprisonment be served beginning June of 1983, is that correct?

A. Well, it was my understanding that I could report in that timeframe from December 7th, up until June 1 or 3 of 1983.

Q. To Maxwell Air Force Base, in Alabama?

A. Yes, sir.

Q. After being sentenced in December of 1982, it was in

January of 1983 that you testified before this grand jury that Mr. Cole has made reference to testimony at various times?

A. I believe that is correct, sir, January of 1983.

Q. As of the time then that you testified, you had the prospect of serving a term of imprisonment, is that correct?

A. Yes, sir.

Q. It is a fact, is it not, that there was some consideration being given by you at that point to maybe moving the judge for a reduction of that sentence?

A. Sir, I don't know how to answer that or not. I don't know how you are phrasing the question.

Q. Strike that question then that way.

THE COURT: Sir, you don't want him to answer the question?

MR. LEWIN: I will approach it a different way since the witness has said that.

THE COURT: The question has been stricken, ladies and gentlemen of the jury. You are to ignore it.

BY MR. LEWIN:

Q. In fact, Mr. Meade, in June of 1983, that sentence was reduced, was it not?

A. Yes, sir.

Q. There was a re-sentencing in which the judge sentenced you to pay a fine and serve community service and not serve a term of imprisonment?

A. Yes, sir.

Q. Was that pursuant to a motion to reduce the sentence?

A. Was the question was that pursuant to a motion to reduce the sentence?

Q. Yes.

A. Not being an attorney, sir, I would assume that would be the proper term, yes, sir.

Q. In other words, your attorney asked the judge to reduce that sentence and not to have you serve a term of imprisonment?

A. Yes, sir.

Q. It is a fact then that your grand jury appearance occurred between the time that you were initially sentenced and the time that your sentence was reduced?

A. Yes, sir.

Q. Is it also a fact, Mr. Meade, that during that period of time --

THE COURT: Which period of time?

BY MR. LEWIN:

Q. The period of time between December of 1982, when you were initially sentenced, and June of 1983, counsel for the government, Messrs. Weingarten and Cole, had discussions with your attorney, in which they tried to suggest that you should fully testify and make full and frank disclosure, in their words, of any wrongdoing on the part of Congressman Hansen?

A. Now, the question again is -- I am sorry, sir?

Q. To your knowledge, in that period of time, did the attorneys for the government meet with your counsel -- who was your counsel at that time, Mr. Meade?

A. Well, sir, Carl McAfee was my attorney up until -- I really don't remember the date, sir, but then I later employed an attorney by the name of Jim Bowie.

Q. Jim Bowie?

A. Yes.

Q. Jim Bowie met with government attorneys and they tried to persuade him to communicate to you that you should make full and frank disclosure of any and all information you have concerning any wrongdoing on the part of Congressman Hansen?

A. Well, sir, my attorney, Jim Bowie, met with them. I could not phrase or, from memory phrase, what that discussion was, sir.

Q. Did he advise you that the government lawyers said they would grant you immunity if you disclosed that you did anything wrong with Congressman Hansen?

A. As I understand the question, it was did my attorney advise me that they would what?

Q. That they would grant you immunity from prosecution for anything wrong that you testified to that you did with Congressman Hansen.

A. No, sir. To my memory, I don't remember Mr. Bowie stating it that way, sir.

Q. What did he say to you was what the government counsel had suggested?

A. To the best of my memory, he just told me that if I knew anything different than what I had testified to before the grand jury, or that if I had additional information, that this was the time I should come forth with it, or whatever, sir.

Q. This was the time, because it would be to your benefit to do so, because you then might get your sentenced reduced, is that right?

A. No, sir, I don't believe Mr. Bowie ever made a statement in that regard to me, sir.

Q. Is that what you understood that this was a good time, if you had any information that was critical of Congressman Hansen, this was a good time to do it because you had a prison sentence hanging over you and you wanted to get a reduction of that prison sentence?

A. No, sir. To my memory, there was never anything like that, a statement like that made.

Q. Did that occur to you, even if there was no such statement?

A. No, sir.

Q. It didn't occur to you that that would be a good time or an appropriate time if there was anything improper that you had done with Congressman Hansen?

A. No, sir, I hadn't done anything improper.

Q. I am getting to that. I am just saying was that suggested to you that if you knew anything improper then, you should at that time disclose it?

A. No, sir, there was never anything presented to me in that manner, sir.

Q. In fact, though, you did, through your counsel, reaffirm to government counsel, that there was absolutely nothing improper in any of your dealings with Congressman Hansen?

A. Yes, sir.

Q. You told them at that a time when you were awaiting a decision on whether your sentence would be reduced?

A. Yes, sir.

Q. And you were aware, were you not, that if in fact you provided --

MR. COLE: I am going to have to object here.

THE COURT: Counsel to the bench, please.

Step down, Mr. Meade.

(bench conference).

MR. COLE: Your Honor, if Mr. Lewin wishes to testify, we can swear him as a witness. But right now he is making his closing argument to the jury and trying to put some words in the witness' mouth which clearly aren't there.

MR. LEWIN: I think I am entitled to probe. I think it is obvious that this witness did know that this was a good time in which if he had any information whatever regarding Congressman Hansen --

THE COURT: You certainly are entitled to probe, and you have probed. I don't want you to belabor it, but obviously if there is more you feel you have to do, I am not going to deny you that right. Certainly you have a right to probe this.

I think what Mr. Cole is suggesting at the bench, and there is some merit to it, is that some of this comes out as though it is perhaps not testimony, but you will recall I told that you the newspaper article referred to "your testimony". Some of it comes out as almost a paragraph, Mr. Lewin, and then a question at the end.

Now, if it has a foundation and we have had that in evidence, fine. But obviously on cross-examination you have a lot more latitude than what is given on direct examination. But it might be nice to go a little closer to the point to move it along.

MR. LEWIN: All right.

(End of bench conference)

THE COURT: All right, Mr. Lewin.

BY MR. LEWIN:

Q. You were aware, were you not, in that period of time, in May of 1983, that any information that would incriminate

Congressman Hansen would be useful in terms of your motion for reduction of sentence?

A. The question is, I was aware of the fact that any information that I had that might be useful to incriminate Congressman Hansen would be helpful in my sentencing?

Q. If you had any information whatever, if there was any truth to it, that that might gain you the favor of Messrs. Weingarten and Cole?

A. No, sir, I didn't have any such information.

Q. You didn't think so?

A. No, sir.

Q. Did your counsel, to your knowledge, respond to the request by Messrs. Weingarten and Cole that you search your memory for whether you had anything whatever that would incriminate Congressman Hansen?

A. Yes, sir.

Q. In fact, he wrote a letter dated May 4, 1983, to the government counsel, do you remember that?

A. He wrote a letter, sir. I don't remember the date of it.

Q. But it was a letter which you got a copy of and he wrote after consultation with you, is that correct?

A. Yes, sir.

MR. COLE: Your Honor, may we approach the bench?

THE COURT: You may. Bring the document up with you.

(Bench conference).

MR. COLE: Your Honor, I am not sure where Mr. Lewin is going with this but this is a communication between Mr. Meade's counsel and us, and frankly, I don't see what it has to do with Mr. Meade's testimony at this point, or how introducing --

THE COURT: I don't know. I haven't read it. Can we have your proffer?

MR. LEWIN: Yes, Your Honor. It clearly indicates that Mr. Weingarten and Mr. Cole met with Mr. Meade's counsel, pressed him to get his client to, as I said, come up with anything that would incriminate Congressman Hansen. There had been some discussion of immunity in that context.

Mr. Meade's counsel replied and said, "We have gone through it all and we realize all this, and there is absolutely nothing whatever that was in any way inculpatory in the relations between Mr. Meade and Congressman Hansen."

Consequently, we think it is very important evidence to buttress that proposition. The government has called Mr. Meade, and is obviously trying to imply to the jury there was an impropriety, a quid pro quo. This is strong evidence to the contrary.

MR. COLE: First of all, I don't understand why this would not be hearsay.

MR. LEWIN: First of all, a copy of it is sent to Mr. Meade and it is done on behalf of Mr. Meade by his attorney.

THE COURT: Mr. Meade did say that he had cooperated, or whatever term he used, with his attorney in this particular document.

MR. COLE: It is a letter of Mr. Bowie's. If they want to call Mr. Bowie and put him, then that is something else. I am not saying we won't object to that on relevancy grounds but that seems to me to be the best evidence as far as what we are talking about here.

As far as hearsay goes, this is just an out of court statement by Mr. Bowie on behalf of his client.

MR. LEWIN: This is a statement by the counsel on behalf of a client.

THE COURT: That normally is so. You will recall, of course, the testimony of Mr. Meade in response to your questions were you advised by your counsel that certain things happened in that counsel's conversation with the government counsel, and he has said that he wasn't aware of those things, some of which I am now reading in this communication. So I am not certain whether he ever did see this letter, did talk about cooperation. There is a CC to him, but a copy to someone and the cooperation in preparing something are two different matters.

MR. LEWIN: If he authorized the writing of that --

THE COURT: I don't know that.

MR. LEWIN: I will ask him.

THE COURT: I don't know if he authorized this specific communication. I think this is one thing we have to find out, whether he authorized this specific communication and whether it was written on his behalf by his agent, acting for him as a principal.

MR. LEWIN: I will show it to him.

MR. COLE: As you read through the letter, you will find out, first of all, Mr. Lewin is slightly mischaracterizing this letter. We were not by any means seeking to incriminate anyone. We were seeking to get at the truth.

Secondly, I think as you read the communication, there are comments in there by Mr. Bowie which clearly are his own comments and reflect his own opinions, and I don't believe they are the opinions of Mr. Meade.

I also fail to see the relevance of this to Mr. Meade's testimony. He is here testifying right now about what his understanding was. Mr. Lewin has gone through it again and again and again, and Mr. Meade has testified about it.

Now, what a piece of selfserving hearsay, if Mr. Meade was involved with it, or what Mr. Bowie's statement, has to do with what Mr. Meade's understanding was, I don't know at this point. If they want Mr. Bowie to come up to contradict Mr. Meade they are free to call him.

THE COURT: It may be necessary, but I have to find out first, and Mr. Lewin can ask that question, as to how much authorship of Mr. Meade is involved in this document, whether Mr. Meade saw it prior to the time that it was sent out to, as it is put, Messrs. Weingarten and Cole, and whether he sanctioned each and every paragraph, in effect, of this.

I have to agree, from what you have just said, Mr. Cole, that there are some things here in the letter that do look like an attorney talking to another attorney, but it may have been with Mr. Meade's blessing and knowledge and understanding. I just don't have the foundation to make that kind of ruling.

It can come in if, and I emphasize "if", if it can, through Mr. Meade, but if it can't come in through Mr. Meade, Mr. Bowie can be called.

MR. COLE: I don't see how it is relevant and admissible in evidence. If it is a prior statement of Mr. Meade and he wishes to impeach Mr. Meade with it, then fine. but otherwise I don't see how it would come in as an exhibit at this point.

THE COURT: I don't think it can be used for impeachment at the present time because the man is testifying consistently.

MR. COLE: I agree. How is it to be used as an exhibit?

MR. LEWIN: Your Honor, this is the somewhat unusual situation in which the government calls a witness, begins interrogating the witness by impeaching him with his prior criminal conviction, is implying to the jury throughout his testimony that notwithstanding what this witness is testifying, there was a quid pro quo for what he was doing. There is the total implication throughout the testimony. The witness denies it. The government is going to argue to the jury, and it was part of their opening statement, that this was a quid pro quo.

If the witness has said that it is not, and if notwithstanding these various efforts that were made to get him to change that testimony, his attorney says it definitely is not, I have gone through it and he communicates that to the government, we think all that is very corroborative of the fact that there was absolutely nothing wrong. If this were a case where the government had called a witness or was seeking to impeach its witness, that would be quite different.

THE COURT: That would be one thing if this were the letter of Mr. Meade himself. Now we have Mr. Bowie, who is purportedly acting as an agent on behalf of his principal. It may well be his principal has adopted everything that was said in the letter. We are going to have to find that out first.

MR. LEWIN: A copy of that was sent to Mr. Meade. We submit he doesn't have to be involved in drafting the letter. But if his agent says it, there are many cases where criminal defendants indeed have been held, and it has been used against them, what their attorneys have said, even in conferences with the government.

Certainly where an attorney writes a letter to the government and sends a copy to his client and speaks on behalf of his client, that is admissible as if it were the statement of the client himself.

THE COURT: But there are some things here, Mr. Lewin, and I haven't read it as thoroughly, obviously, as all you gentlemen have, when Mr. Bowie is purportedly speaking for Mr. Bowie. I can't tell whether he is speaking for Mr. Meade at this time or not. Mr. Bowie says, "As we all know, it is not uncommon for the truth to appear more suspicious than a lie."

"In the instant case, we have to take the position that these suspicions have no basis in fact." It may be he is speaking for Mr. Meade. It may not be. "I would be glad to assist in any further inquiries and I am sure John would also," and clearly he is separating himself, although I again agree with you he purportedly is acting as an agent on behalf of Mr. Meade.

Let us find out how much Mr. Meade can adopt or not adopt of this communication. It may be you are going to have to get this in partly through Mr. Meade and partly through Mr. Bowie.

MR. COLE: If I may have one more moment. It seems to me the only thing that could be relevant here is Mr. Meade making a selfserving declaration that he is not guilty of a crime. He has already said that on direct. If Mr. Lewin would like to ask him that again on cross, he is free to.

THE COURT: He has said more than that through this letter, if he adopts it. He has said more than he is not guilty of a crime. He has said that bribery was never considered much less discussed by him or in his presence. So it is more than he, Mr. Meade, if it is Mr. Meade who is saying this. But I realize it is the attorney writing the letter in which he says, "Mr. Meade assures me." He isn't quoting; he is stating it.

MR. COLE: If they would like to ask Mr. Meade whether bribery was discussed, they can. But it doesn't seem to me they should be allowed to introduce a letter which kind of takes on the imprimatur of being something more than it is. I would request that we have the voir dire outside the jury to lay the foundation.

THE COURT: There is also something on the second page, first full paragraph, "However, if it were Mr. Meade's purpose to fabricate a false story, I," I guess that is Mr. Bowie, "I would hope he would be clever enough to come up with a story that would be less suspicious and more plausible."

I don't know whether Mr. Meade or Mr. Bowie said that. This often is, in a communication by counsel to other counsel, part of counsel's opinion, part of perhaps what discourse with his client has indicated.

So I am not overly confident you are going to get this in, in toto, with Mr. Meade. Certainly you can ask some questions, as you have been, that are drawn from this communication. We will see whether we need Mr. Bowie later.

(End of bench conference).

DEPUTY CLERK: Defendant's Exhibit 15 marked for identification.

(Whereupon, Defendant's Exhibit No. 15 was marked for identification).

BY MR. LEWIN:

Q. I place before you what I have had marked as Defendant's Exhibit 15 for identification, Mr. Meade, and I ask you whether you recognize that letter?

A. Yes, sir, without reading it, it appears to be the letter that my attorney, Mr. J. D. Bowie, sent to the Honorable James Cole and Reid Weingarten.

Q. Did Mr. Bowie send that letter on your behalf?

A. Yes, he did.

Q. Did he send it with your authorization?

A. Yes, sir.

Q. Was he expressing in that letter views that you had, you personally had?

A. Yes, sir.

Q. The views that are in that letter are your statements, are they not, which he is expressing as your attorney?

A. Well, I guess you would have to say they are my views but stated by my attorney.

Q. I understand. But the substance of them, I agree you didn't use the precise words, they are not your precise words, but they are, in substance, what you responded to the government but put into words that the attorney selected?

A. Yes, sir, that is my response back to Mr. Cole and Mr. Weingarten.

Q. You received a copy of that letter?

A. Yes, sir.

Q. You approved of the words that your attorney used in expressing your views to the government counsel?

A. Yes, sir.

Q. You thought that they did reflect your own views properly, as expressed in that letter?

A. Yes, sir.

MR. LEWIN: We offer that letter in evidence.

MR. COLE: If I may, I have one question on voir dire.

THE COURT: Certainly.

VOIR DIRE EXAMINATION

BY MR. COLE:

Q. Mr. Meade, did you read that letter before it was sent?

A. I really don't remember, sir.

Q. Did you just get a copy of it after?

A. If I didn't read it, it really seems to me like I was present when the letter was dictated. I am not for sure of that, sir, but I was aware of the letter going out.

Q. Did you consult with your attorney on each separate paragraph that was being written and each line that was being written?

A. Not really. The letter itself, I thought, reflected, again in the attorney's terms, you know, what I had to say.

Q. Did you write that letter with your attorney or did you merely just give him information and then he went off and wrote a letter?

A. Well, I guess he wrote the letter with the information furnished by me.

Q. He wrote the letter himself on his own?

A. I really don't remember, sir, whether I was present when he dictated it. I just don't remember whether I was present when the letter was dictated or not. The contents of the letter were certainly discussed by me, with my attorney, prior to or during the time that the letter was written.

MR. COLE: May we approach the bench.

(Bench conference).

MR. WEINGARTEN: It is Mr. Cole's witness but I want to say one word.

THE COURT: We will do the same for the other side too, then, later.

MR. WEINGARTEN: The contents of the letter are from Mr. Meade. He can testify about them. He has testified about them already. The words of the letter are not his. They are selfserving hearsay from another party. Whether or not Mr. Bowie can even testify to this is another matter, but surely he should not be able to introduce this letter and read from it. He can testify to his heart's content about the contents but the letter itself is not his.

MR. LEWIN: It may have been dictated when he was there.

THE COURT: It may have been.

MR. LEWIN: Second of all, he says it fully and accurately reflected exactly what his views are in total. He received a copy of it. He discussed it before it was written with his attorney. He may have discussed it as it was written with his attorney. There is nothing in that letter that is not his, if not by prior agreement, then by adoption.

THE COURT: Please keep your voice down.

MR. LEWIN: If not by prior agreement then by adoption thereafter. So it is his words. It is as if he signed the letter, except that people have attorneys so they don't write the letters themselves they have their attorneys write the letters. But it is as clear an adoption, as I say, by prior consultation, and by subsequent approval and ratification of exactly what the lawyer had said.

MR. WEINGARTEN: He is deprived of no evidence without this letter. Mr. Meade has testified and can testify to the substance. What he is deprived of is a selfserving document from a defense attorney to the Department of Justice trying to keep his client out trouble. It is being offered for the truth of the matter asserted.

MR. LEWIN: I don't care about his client. Mr. Weingarten knows that. What it does is it very clearly indicates that my client is not in trouble and should not have been in trouble. So I don't care about his client.

THE COURT: I think we all clearly understand the government is not posing an objection to you using the letter in the sense of asking any questions that are fairly deprived from the content of the letter with specificity as to whether or not Mr. Meade believed that there was bribery or whether Congressman Hansen had done any wrongdoing or anything of that nature. I don't think that that is the problem.

The problem is the way the words are couched by an attorney. It is no doubt that Mr. Meade has just now testified that his attorney put in his attorney's words, the views that he, Mr. Meade, felt that he had, reflected his views, whichever term he used. The precise words are not his. I think we all understood that from the testimony. He may or may not have been present at the time it was dictated. He did receive a copy of it.

He is not disputing that those are his opinions or those are his views. It is the exact phraseology in a lawyer's letter that goes from lawyer to lawyer, as we all know, that bears some kind of contagion, and I am not going to have the letter admitted at this time, over your objection, but you certainly can examine thoroughly from the letter.

If you wish to bring Mr. Bowie in, I would say that enough has been done with the examination of the letter that I cannot see why Mr. Bowie can't testify as to his views as to whether Mr. Meade adopted this or not.

MR. WEINGARTEN: I am sure we will cross that bridge when we come to it.

THE COURT: You can make an objection at that time but I think it is only fair that Mr. Lewin know if I do it this way he has a right to bring Mr. Bowie in to testify as to this matter. I don't want him to be diluted and get caught in the cross on this one.

MR. COLD: Your Honor, if I may just ask a question. We have no objection to Mr. Lewin asking questions concerning the subject matter of the letter. We do have an objection to him reading the letter and asking questions based on his recitation of the letter, and we have objections concerning the letter getting in through various and sundry ways.

THE COURT: I will note your objection, Mr. Cole, but you are holding it too tight. I would suggest there are a number of things here that Mr. Meade can certainly answer to specifically, as to, for example, he positively affirms that his entire testimony before the grand jury was absolutely true to the best of his knowledge and belief both then and now.

MR. COLE: That question can be asked of him.

THE COURT: Certainly some of it can be taken from the letter. Mr. Lewin knows when it is a very good possibility that it is the opinion of the attorney, even if it reflects the view of his client, that the change of a word or two may give a different thrust, and he is going to have to know which ones he can ask specifically quoting from the letter. There are others he can ask questions about in general.

MR. COLE: Why can't he just ask the questions that are contained in those phrases without having to say, did the letter say?"

THE COURT: Because it is the art of cross-examination and because he does have the right to use it to that extent, where it is as clear as anything can be, that those were Mr. Meade's precise assertions.

MR. COLE: He said nothing different to this date. There is no inconsistent statement so far, Your Honor.

MR. WEINGARTEN: Without belaboring this point, we have belabored it enough, why is that not hearsay? Why is that not objectionable hearsay? What exception gets that document in?

THE COURT: It is not in. I have just ruled that it is not in.

MR. WEINGARTEN: If it can come in through Mr. Bowie we might as well bring it in now. Why wouldn't that be hearsay, selfserving hearsay?

THE COURT: Mr. Weingarten, we will see if it comes in through Mr. Bowie, but I want Mr. Lewin to know that if he brings Mr. Bowie here it is a very good chance it may get in through Mr. Bowie. Part of it may get in through Mr. Meade.

MR. COLE: Mr. Bowie is in the courtroom right now.

THE COURT: In the courtroom?

MR. COLE: Yes. He is Mr. Meade's attorney.

THE COURT: Perhaps he should leave the courtroom.

MR. COLE: That might not be a bad idea.

Mr. Bowie is the first person on the Court's right side from the aisle.

THE COURT: He has his hand up to his mouth?

MR. COLE: That is correct.

THE COURT: While he takes care of that, why don't we wait here for a moment so it is not that obvious to the jury what we are doing.

Does anyone have a copy of that letter so I can follow it during the examination?

MR. LEWIN: I only have one copy.

MR. COLE: I just have the one letter.

THE COURT: Okay. Let's go on.

(End of bench conference).

BY MR. LEWIN:

Q. Is it true, Mr. Meade, that your counsel had a conference with Mr. Weingarten and Mr. Cole on May 4th, 1983, about this matter?

A. I am sorry? The question is, did my counsel have?

Q. A conference with Mr. Weingarten and Mr. Cole on May 4, 1983?

A. He had a conference with them. I don't recall the date. It was probably in that letter, sir.

Q. Let me show you Defendant's Exhibit 15 and ask you whether that refreshes your recollection.

A. Yes, sir, May 4th.

Q. Did you thereafter review with Mr. Bowie, who was your counsel, in great detail, the factors that the government discussed with your counsel?

A. Did I discuss in great detail with my attorney?

Q. Right.

A. Yes, sir. As well I remember, the day we returned, we had that discussion in his office late that afternoon or evening.

Q. Did your counsel advise you, pursuant to that discussion, that you should make full and frank disclosure of any and all information you have concerning any wrongdoing on the part of Congressman Hansen as it related to the investigation being conducted by Mr. Weingarten and Mr. Cole?

A. Yes, sir, that I should make full disclosure?

Q. Right.

A. Yes, sir.

Q. Did your counsel advise you that if any such full and frank disclosure would incriminate you, either because of inconsistencies with the testimony you had given in the grand jury or because of your involvement in any transactions which could be construed as bribery, it would be to your best interest in the long run to offer cooperation in the prosecution of the cases against Congressman Hansen, in hopes of obtaining immunity for yourself? Did he so advise you?

THE COURT: Wait. Let him answer.

THE WITNESS: I don't remember all of that, sir. He advised me, if I had anything that I knew of that I hadn't disclosed, that I should do it and cooperate.

BY MR. LEWIN:

Q. Did he tell you it would be to your best interest in the long run to offer cooperation in the hopes of obtaining immunity for yourself?

A. Yes, sir, that is what the letter states.

Q. I am not asking you what the letter states. The question is, do you recall that?

A. I really don't remember that, sir.

Q. Did you, at that meeting, in your mind carefully review your grand jury testimony, in your mind? You didn't have a transcript, did you?

A. No, I did not have a transcript.

Q. Did you, at your attorney's suggestion, review what you recalled of your grand jury testimony?

A. Yes, in my mind, yes, sir.

Q. Did you affirm to your attorney to communicate to the government that your entire testimony before the grand jury was absolutely true, to the best of your knowledge and belief, both then and now?

A. Yes, sir.

Q. Did you assure your attorney that bribery was never considered, much less discussed, by you or in your presence, either when you made bank loans to Mr. McAfee or Mr. Rogers, to replenish resources from which they made loans to Congressman Hansen?

A. Yes, sir.

Q. And also that bribery was never considered or discussed by him or in your presence when you made a personal loan from your individual resources directly to Congressman Hansen?

A. Yes, sir.

Q. Did you also advise your attorney to communicate to government counsel, on May 4, 1983, which was about one month before you were going to be re-sentenced, that you had no knowledge of any events which could reasonably be construed as bribery of Congressman Hansen by yourself or anyone else at any time?

A. Yes, sir.

Q. Did you also advise your attorney to communicate to government counsel that you would be happy to cooperate with government counsel in any way possible and that you felt no obligation or desire to protect Congressman Hansen or anyone else involved?

A. Yes, sir.

Q. Did you also advise your counsel to communicate to government counsel that you could not truthfully furnish any additional or different testimony other than that which you had already given before the grand jury?

A. Yes, sir.

Q. Did you advise your counsel to tell government counsel that if you should, at any later time, recall or learn any new information which would directly or indirectly shed light on their case, that you would assure them that you would immediately furnish any such information to government counsel through your attorney?

A. Yes, sir.

Q. And have you, in fact, come across any additional information that you wanted to communicate to government counsel?

A. No, sir.

Q. It is true, is it not, that that was May 4, 1983? On June 3, 1983, you appeared for re-sentencing before the judge in the western district of Virginia at Roanoke?

A. Yes, sir.

Q. As of May 4, 1983, you had no idea what would be the result of that re-sentencing, did you?

A. No, sir.

Q. Mr. Meade, let me go back to the matter of the loan to Congressman Hansen, your personal loan to Congressman Hansen, November of 1981. Prior to November of 1981, you had had a number of telephone conversations with the congressman, had you not?

A. Yes, sir.

Q. This was after you first met him in July of 1981?

A. Yes, sir.

Q. He would occasionally call you to talk to you about banking matters?

A. Yes, sir.

Q. At that time, you were president of the Miners and what was the name of the bank?

A. Miners & Merchants Bank.

Q. Miners & Merchants Bank. You were a respected banker, were you not, in your community?

A. I would like to think I was, yes, sir.

Q. You had substantial expertise on banking matters?

A. Supposedly, yes, sir.

Q. He talked to you about questions relating to banking on the telephone, did he not?

A. Yes, sir.

Q. There came a time, did there not, sometime in November, when he asked you on the telephone whether you would be able to provide funds for the book that you had had a copy of?

A. Well, it was to provide funds again for the publishing, distribution or whatever, of a book or books.

Q. Of a book or books?

A. Yes, sir.

Q. That is how it was put to you on the telephone?

A. Yes, sir.

Q. It is a fact, is it not, that as a result of that conversation you didn't immediately say, "Yes, I will give you a loan"?

A. No, I did not.

Q. You said to him, "Why don't you come down and visit with me and we will talk about it"?

A. That is right, sir.

Q. Did there come a time, just shortly thereafter, when he did fly down to visit with you?

A. Yes, sir.

Q. Now, what is the closest airport to where you are?

A. Tri-city Airport, which is located near Kingsport, Tennessee.

Q. Near Kingsport, Tennessee. Mr. Meade, how long a drive is it from there to, is it a farm or ranch you have down there?

A. It is a farm.

Q. How long a ride is it?

A. At the place I was living at the time that the loan was made, it was approximately an hour and a half.

Q. An hour and a half?

A. An hour to an hour and a half.

Q. Drive?

A. Yes, sir.

Q. Now, did Congressman Hansen come down to visit with you alone or with somebody else?

A. His wife accompanied him.

Q. His wife accompanied him on that trip?

A. Yes, sir.

Q. Was that over a weekend?

A. Yes, sir.

Q. Do you recall when he came down, when his plane arrived?

A. You mean as to the hour?

Q. No, I don't mean the exact hour. Just give me the day and whether it was morning or afternoon.

A. Well, it was on a Saturday, and it was evening.

Q. It was evening is when they arrived?

A. Yes, sir.

Q. Did you pick them up at the airport?

A. No, sir. I believe I had a friend of mine pick them up at the airport.

Q. Again, at the time the congressman arrived, you still had not made up your mind whether you were going to give him a loan, did you?

A. That is correct, sir.

Q. When did you actually meet over that weekend face to face with the congressman and Mrs. Hansen? Did you meet with them Saturday night?

A. Yes, I met with them Saturday night.

Q. For how long?

A. We had dinner together, in the presence of a number of other people, and then I drove them to a motel near my home. They spent the night in the motel and then I picked them up the following morning.

Q. You had breakfast Sunday morning?

A. Yes, sir.

Q. Is it a fact that the matter of the loan was not discussed Saturday night?

A. To my memory, it was not discussed Saturday night.

Q. So it was first discussed on Sunday?

A. To the best of my memory, yes, sir.

Q. Now, at that breakfast, was it yourself and the Hansens, or were there other people present?

A. My wife and children were present.

Q. But there were no outsiders besides your wife and children and the Hansens?

A. No, sir.

Q. Now, did there come a time, after breakfast, when you and Congressman Hansen went off to another room to discuss the matter of this loan?

A. Yes, sir.

Q. Could you describe for us, where did you go?

A. Where did we go?

Q. Yes.

A. I had an office in my home, and so he and I went into my office and discussed it.

Q. When he discussed the loan with you at that point, did he tell you that there was an organization, this was November, that had been formed with regard to the matter of this book or these books?

A. An organization had been discussed with me at probably that time, sir, but I don't recall, having that discussion that day. But an organization, or Congressman Hansen had discussed with me, or I had knowledge, I guess, that there was an organization, or there was to be an organization at the time, at the time of this conversation.

Q. So it is your recollection that either prior to that meeting, that Sunday morning, in your office, or at the meeting, the matter of an organization was discussed between yourself and the congressman?

A. Yes, sir.

Q. Was it your understanding that it would be this organization that would be responsible for the mailings relating to this book?

A. Well, sir, to be honest with you, I don't know that I understood all about the organization. But it was my understanding that the proceeds of my loan would be used in a mass mailing, publishing or promoting of the book or books.

Q. In fact, I think you testified in answer to Mr. Cole, that you really anticipated this would be a short term loan, it would be repaid in a matter of months, is that right?

A. Yes.

Q. Is it not a fact that the reason you viewed it as a short term loan is that the anticipation was that there would be a mass mailing and funds would come in as a result of the mass mailing?

A. Yes, sir.

Q. So that was discussed between yourself and the congressman?

A. Yes, sir.

Q. That whatever it is that was being done with this book would require an additional investment for a mass mailing?

A. Yes, sir.

Q. Is that right?

A. Yes, sir.

Q. And that the funds were really intended to be used for such a mailing?

A. Well, I don't know that it was specified that my money would go to the mass mailing or the publishing or something else within that.

Q. But it was in that area, it had to do and you understood there would be a mailing and that funds would come in as a result of that mailing?

A. Yes, sir.

Q. The expectation was that as a result of funds coming in from that mailing, that the loan that you made would be paid back?

A. Yes, sir.

Q. In fact, shortly thereafter, you did receive a letter that was a result of that mass mailing, didn't you? You personally received a solicitation?

A. I personally received a letter, yes, sir. I don't remember exactly the date that I received it, but I did receive one, yes, sir.

Q. Do you remember that the letter came from the Association of Concerned Taxpayers?

A. No, sir, I don't remember the name.

Q. You don't remember the name. But you do remember when you received that letter, you said, "This is the thing Congressman Hansen was talking about," is that correct?

A. Yes, sir.

Q. Now, after this meeting that you had with Congressman Hansen in which this was discussed, you then decided you would give him the loan for that purpose? Was it as a result of this discussion with Congressman Hansen that you decided that you would provide the loan for that purpose?

A. Well, yes, it was after we had that discussion that morning that I decided to let him have the money, yes, sir.

Q. It was shortly thereafter that you went to the bank, as you testified in your direct testimony, and made out the cashier's check that you have identified, is that right?

A. Yes, sir.

Q. It was at that point that you also had the congressman sign the note evidencing that obligation, is that correct?

A. I really just don't remember exactly where the note was signed. It was probably signed in the bank. I really don't remember exactly.

Q. Were you confident that the loan would be repaid?

A. Yes, sir, or I wouldn't have made it.

Q. Could you tell us why you were confident that the loan would be repaid?

A. Well, sir, again, being a country banker, sir, I guess I had, over the years, either learned or did base my loan decisions or credit decisions on character and, for lack of a better word, sir, gut feelings. It just happened to be that I felt like that Congressman Hansen's philosophy was similar to my philosophy, and his religious background and so forth that, again, I just had the feeling, and I even mentioned that, I believe, to my wife, that I felt like the loan would be repaid.

Q. You say political philosophy.

A. No, I didn't say political. I just said philosophy.

Q. What did you mean about philosophy?

A. We used to discuss interest rates and as to what the government should be doing in the realm of banking and regulations and so forth, just general conversations of this nature. To me, it doesn't take you too long to learn whether a person's thinking is compatible along your lines of thinking.

Q. You thought his thinking was similar to yours in that regard?

A. Yes, sir.

Q. You speak about his religious background. You knew his religious identification?

A. Yes, sir.

Q. You knew he was a member of the Church of Latter Day Saints, known as the Mormons?

A. Yes, sir.

Q. Did you have particular views regarding whether that is a credit worthy group of people?

A. Yes, sir. I had never loaned to a Mormon that didn't live up to his obligations.

Q. Did it enter into your appraisal of the credit worthiness of that loan that you expected that it would be paid back out of proceeds of a mailing? Did you take that into account?

A. Well, sir, you know, I sure felt like that the loan was going to be repaid, and it was my understanding that, I guess, that the source of funds or the source of re-payment was going to come from the publishing or promotion of these books.

Q. So you took that into account? You expected that the re-payment would be from that direct mail that had been discussed with you?

A. Well, yes, sir, I took that into account.

Q. Now, the money that you provided for this loan, that was your own personal funds, is that right? It wasn't bank funds?

A. It wasn't bank funds, no, sir.

Q. The interest rate that you put on the note was pretty good interest rate, if interest had to be paid? It was prime rate, plus one percent?

A. Yes, sir, that is more than I could have gotten out of another type of investment.

Q. Is it true that that was a time of the year, in November, when you, because of your cattle business, had a substantial amount of cash personally?

A. Yes, sir.

Q. So you were prepared to make a loan at that time of the year because the cash was available?

A. Yes, sir.

Q. In fact, Mr. Meade, you have made other unsecured loans to people at even far better terms than you offered Congressman Hansen, isn't that true?

A. Well, I have made loans to other people. As to the terms, sir, I don't remember. I guess it would depend on at the time that may be the loan was made that the terms could have been better.

Q. You have mentioned Mr. Fancher, for example. Shortly before, in August of 1981, you lent Mr. Fancher of Australia, $34,945.47 interest free, didn't you?

A. Yes, sir.

Q. You loaned a group called the Big Cedar Sportswear

Association?

A. Sportsman.

Q. Sportsman Association, in March of 1981, you loaned them $68,000 interest free?

A. No, sir, that wasn't to be interest free, I don't believe. Although I don't believe I collected the interest but I don't believe it was to be interest free.

Q. Let me show you the note.

DEPUTY CLERK: Defendant's Exhibit 16 marked for identification.

(Whereupon, Defendant's Exhibit No. 16 was marked for identification).

DEPUTY CLERK: Defendant's Exhibit 17 marked for identification.

(Whereupon, Defendant's Exhibit No. 17 was marked for identification).

BY MR. LEWIN:

Q. First let me show you Defendant's Exhibit 17 for identification. That is the IOU of Mr. Fancher for the other loan that you told us about, isn't that right?

A. Yes, sir.

Q. The interest free loan?

A. Yes, sir.

Q. Defendant's Exhibit 16 for identification, is that a copy of the note on the $68,000 loan that you made?

A. Yes, sir.

Q. To the Big Cedar Sportsman Association?

A. Yes, sir.

Q. In fact, there is no interest figure at all written into that note?

A. There is no interest figure written into the note, no, sir.

Q. In fact, you say you haven't recovered anything on that note?

A. No, sir, I haven't.

MR. LEWIN: we offer both Defendant's 16 and Defendant's 17 into evidence.

MR. COLE: May I see them, Your Honor?

THE COURT: Surely.

MR. COLE: Play we approach the bench?

THE COURT: Yes.

(Bench conference)

MR. COLE: I frankly don't see what the relevance of these are to the issues in trial. I would like a proffer from Mr. Lewin.

MR. LEWIN: The government is making a big to-do about the fact that this man lent $50,000 to a congressman. They are making all kinds of innuendoes about it. This man was in the business, I am not talking about his bank, but he was loaning -- he apparently has a lot of money -- he was loaning, making interest-free loans to lots of other people.

Indeed, let me say this, the government asked this man -- if they think it is not relevant, it is extraordinary -- they asked this man in the grand jury whether he makes other similar loans. He said, "Yes, I do."

They said, "Could you provide us evidence of it?"

He said, "All right. I will."

He responded in a letter. That is how we have these notes because the government produced it, I think appropriately. The government has made it relevant.

THE COURT: Are these from his own files? He says the other one was. The question wasn't asked.

MR. LEWIN: Yes.

THE COURT: Other than that, they can come in to substantiate that these are the loans. You are not going to go through every loan that he ever made?

MR. LEWIN: No. There is a thick file of loans, but these are the big ones.

THE COURT: All right. Assuming that he testifies that these are from the monies, so you show some relationship here, that this is a practice of his, we will then take our break that I promised the jurors they would have, which they didn't have earlier.

I also see a new reporter is coming to substitute for our present reporter. All right?

775-793

MR. LEWIN: Should I first ask the witness that then we will break?

THE COURT: Yes.

(End of bench conference)

THE COURT: Mr. Meade, please come back for a moment or two and then we will recess for our jurors.

BY MR. LEWIN:

Q. The loans on Defendant's 16 and Defendant's 17, Mr. Meade, those were loans from your personal funds?

A. Yes, sir.

Q. The same as your personal funds were used for the loan for Congressman Hansen?

A. Yes, sir.

MR. LEWIN: I offer them in evidence, Your Honor.

MR. COLE: No objection.

THE COURT: They are in evidence without objection.

(Whereupon, Defendant's Exhibit Nos. 16,17 were received into evidence)

THE COURT: We are going to take a recess, ladies and gentlemen, for about ten minutes. Hopefully, those materials are there now. My marshal has been sending me signals, to in-cate, if I read them correctly, that something is there for you.

Remember, don't talk about the case. We will have a ten minute recess for all of us.

(Recess at 5:00 p.m.)

AFTER RECESS:

THE COURT: WHILE WE WERE TAKING A RECESS, MY SECRETARY CAME IN WITH AN OFFICE CARD FROM MR. BOWIE. I DO NOT SEE MR. BOWIE. I SUGGEST HE TALK TO COUNSEL ABOUT HIS POSITION. HE IS BACK IN THE COURTROOM AND THE COUNSEL HAVE NO PROBLEM?

MR. LEWIN: WE HAVE NO PROBLEM. WE DO NOT INTEND TO CALL MR. BOWIE.

THE COURT: I AM GLAD TO SEE MR. BOWIE BACK IN THE COURTROOM, AND I HOPE HE UNDERSTANDS WHY THE COURT COULD NOT SEE HIM.

BRING IN THE JURY. MARSHALS TELL ME THE JURY IS VERY HAPPY. IT MAY BE THE BEVERAGE WHICH, FOR THE RECORD, IS SOFT DRINKS OR COKE OR COFFEE.

(JURY ENTERS AT 5:22 P.M.)

WHEREUPON,

JOHN MEADE.

WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN PREVIOUSLY SWORN, RESUMED THE STAND AND TESTIFIED AS FOLLOWS:

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, LET'S CONTINUE WITH THE TESTIMONY. MR. LEWIN.

CROSS-EXAMINATION (CONTINUED)

BY MR. LEWIN.

Q. MR. MEADE, THERE WAS TESTIMONY, YOU RECALL ON YOUR DIRECT EXAMINATION ABOUT THIS EFFORT TO GET THE PERSONNEL FROM

WHAT WAS IT, THE REDSTONE ARSENAL?

A. YES, SIR.

Q. TO GO TO AUSTRALIA?

A. YES, SIR.

Q. AND THOSE EFFORTS WERE DIRECTED TOWARDS JUST GETTING TWO PARTICULAR INDIVIDUALS WHO WERE AT THE REDSTONE ARSENAL TO MAKE A SCIENTIFIC EVALUATION IN AUSTRALIA, THAT IS WHAT YOU WERE TRYING TO GET TO HAVE DONE?

A. ONE, TWO OR MORE. I DON'T KNOW IF THERE WAS EVER A DEFINITE NUMBER SET.

Q. YOU HAD, ULTIMATELY, CONVERSATIONS WITH ONE OF THESE INDIVIDUALS AFTER YOU WERE NOT ABLE TO GET PERMISSION FOR HIM TO GO TO AUSTRALIA, IN WHICH HE RECOMMENDED OTHER EXPERTS FOR YOU WHO COULD GO TO AUSTRALIA, IS THAT RIGHT?

A. YES, SIR, SOMEBODY. I DON'T REMEMBER EXACTLY WHO, BUT SOMEBODY ALONG THE LINE RECOMMENDED SOME OTHERS THAT WERE QUALIFIED TO GO.

Q. IN FACT, THERE WERE TWO PHYSICS PROFESSORS AT AUBURN UNIVERSITY WHO ENDED UP GOING TO AUSTRALIA INSTEAD OF THE PEOPLE AT THE REDSTONE ARSENAL, ISN'T THAT RIGHT?

A. NOT TO MY KNOWLEDGE.

Q. NO? DID YOU EVER HEAR THE NAME OF BOB KRIBEL, WHO WAS THE HEAD OF AUBURN UNIVERSITY'S PHYSICS DEPARTMENT?

A. IT DOESN'T RING A BELL TO ME, SIR. I DON'T KNOW. IF I HAVE HEARD HIS NAME IT HAS BEEN IN A CONVERSATION SOMETIME

AND I DON'T REMEMBER THE NAME, NO, SIR.

Q AND THE NAME AUBURN UNIVERSITY DOESN'T RING A BELL?

A. YES, SIR, AUBURN UNIVERSITY WAS MENTIONED BY SOMEONE.

Q. AND IS IT YOUR TESTIMONY THAT YOU DON'T KNOW WHETHER ANYBODY EVER WENT OVER TO CHECK THOSE FROM THE UNITED STATES?

A. NO, SIR. TO MY KNOWLEDGE NOBODY WENT.

Q. DID YOU EVER FLY EITHER OF THOSE GENTLEMEN, A PROFESSOR KRIBEL OR PROFESSOR WILLIAMS, FROM AUBURN UNIVERSITY, TO AUSTRALIA FOR THAT PURPOSE?

A. DID I EVER FLY THEM?

Q. YES?

A. NO, SIR.

Q. IN FACT, HOWEVER, ALL THAT THE PEOPLE AT REDSTONE ARSENAL HAD WAS SCIENTIFIC EXPERTISE. IT IS NOT THAT THEY HAD ANY PARTICULAR GOVERNMENT CONNECTION YOU WERE LOOKING FOR. YOU WERE LOOKING FOR THE RIGHT SCIENTIST TO MAKE THE RIGHT EVALUATION?

A. WE WERE LOOKING FOR THE RIGHT PEOPLE, AND THESE PEOPLE, THE NAMES OF THOSE PEOPLE HAD BEEN GIVEN. WELL, I DON'T REMEMBER WHETHER THEY HAD BEEN GIVEN TO ME FIRST, CARL MCAFEE FIRST OR WHO, BUT THEY WERE GIVEN TO SOME OF US FIRST BY WILEY FANCHER, I GUESS IT WOULD HAVE BEEN.

Q. DID YOU, IN THESE CONVERSATIONS, DID YOU REMEMBER THE NAME OF A THOMAS MILLER, FROM THE REDSTONE ARSENAL?

A. YES, SIR, I REMEMBER THE NAME.

Q. DO YOU REMEMBER MEETING AND SPEAKING WITH MR. MILLER?

A. AS WELL AS I REMEMBER, THERE WAS 3 OR 4 THAT WE MET AND TALKED TO, AND I REALLY DON'T REMEMBER, YOU KNOW, JUST WHETHER IT WAS MILLER, BUT ANYWAY THERE WAS 3 OR 4 SCIENTISTS OR PHYSICISTS THAT WE MET AND TALKED TO.

Q. AND HAVE YOU SEEN ANY OF THOSE 3 OR 4 SCIENTISTS OR PHYSICISTS SINCE THE TIME YOU HAD THESE DISCUSSIONS?

A. NO, SIR, I HAVEN'T.

Q. YOU HAVEN'T SEEN THEM TODAY, FOR EXAMPLE, IN THE COURTHOUSE?

A. NO, I HAVEN'T.

Q. NOBODY THAT YOU RECOGNIZE?

A. WELL, IF I SAW THEM I DIDN'T RECOGNIZE THEM.

Q. WITH REGARD TO MR. MILLER, DID YOU EVER OFFER TO SEND A PLANE DOWN TO ALABAMA TO PICK MR. MILLER UP AND TAKE HIM DOWN TO VIRGINIA, AND SPEND A WEEKEND ON YOUR FARM?

A. I DON'T RECALL THAT, SIR, BUT IT CERTAINLY WOULDN'T HAVE BEEN OUT OF THE ORDINARY FOR ME TO HAVE MADE SUCH A GESTURE, I GUESS.

Q. DID YOU EVER TELL MILLER THAT YOU WERE PREPARED TO PUT FIVE MILLION DOLLARS OF YOUR OWN MONEY INTO THIS PROJECT?

A. NO, SIR, I DON'T REMEMBER. I DON'T REMEMBER THAT.

Q. DID YOU EVER TELL MILLER THAT YOU WOULD CUT HIM IN ON ALL PROFITS FROM THIS HYDROGEN CAR?

A. NO, SIR, I DON'T RECALL HAVING SAID THAT, SIR.

Q. DID YOU EVER OFFER TO THESE INDIVIDUALS AT REDSTONE ARSENAL THAT YOU WOULD MAKE THEM EQUAL PARTNERS IN THIS VENTURE IF THEY WOULD DOWN DOWN THERE?

A. I DON'T EVER RECALL EVER MAKING AN OFFER. IN FACT, I DON'T RECALL HAVING DONE ANYTHING OTHER THAN THE POSSIBILITY MAYBE OF MAKING THE STATEMENT THAT, YOU KNOW, THAT WE COULD FURNISH THEIR EXPENSES OR WHATEVER, IF THEY WOULD GO MAKE THE TEST.

Q. NOW, YOU WERE ASKED, AND MR. COLE READ TO YOU FROM YOUR GRAND JURY TESTIMONY, IN WHICH YOU WERE ASKED WHETHER YOU HAD EVER ASKED --

THE COURT: EXCUSE ME, WHAT PAGE?

BY MR. LEWIN.

Q. -- PAGE 24 OF YOUR GRAND JURY TESTIMONY -- WHETHER YOU HAD EVER ASKED MR. MILLER IF A CALL FROM CONGRESSMAN HANSEN FROM IDAHO MIGHT HELP CHANGE HIS MIND AS FAR AS WHETHER HE COULD GO ON HIS OWN IN SPITE OF ARMY ORDERS. DO YOU REMEMBER HE READ YOU THAT SERIES OF QUESTIONS AND ANSWERS FROM YOUR GRAND JURY TESTIMONY?

A. AS WELL AS I REMEMBER THAT IS WHAT HE READ.

Q. I THINK YOU TESTIFIED THAT IT SEEMED TO YOU -- HE SHOWED YOU YOUR GRAND JURY TESTIMONY AND YOU TESTIFIED, IT SEEMED TO YOU LIKE YOU DID SAY THAT TO MR. MILLER?

A. I BELIEVE I READ FROM THE GRAND JURY TESTIMONY, YES, SIR.

Q. RIGHT. AND ISN'T IT A FACT -- STRIKE THAT. IN FACT, YOU DIDN'T HAVE ANY CONVERSATION WITH CONGRESSMAN HANSEN IN WHICH YOU SUGGESTED THAT CONGRESSMAN HANSEN SHOULD CALL MR. MILLER, DID YOU?

A. NOT THAT I REMEMBER TODAY, SIR.

Q. IN OTHER WORDS, THIS WAS SOMETHING THAT YOU SAID TO MR. MILLER, AND I SHOW YOU YOUR GRAND JURY TESTIMONY, IN ORDER TO FIND OUT WHETHER MR. MILLER WAS JOB-SCARED?

THE COURT: EXCUSE ME. HAVE YOU GONE TO ANOTHER PAGE?

MR. LEWIN: PAGE 25.

THE COURT: ALL RIGHT.

THE WITNESS: I AM SORRY. REPEAT THAT?

BY MR. LEWIN.

Q. DID YOU, IN FACT, SAY THAT TO MR. MILLER, IF YOU SAID IT -- IF, INDEED, YOU DID SAY IT TO HIM -- JUST TO TEST TO SEE WHETHER HE WAS SCARED FOR HIS JOB AND THAT WAS THE REASON WHY HE WAS NOT GOING, HE WAS JOB-SCARED?

A. WELL, SIR, I GOT THE IMPRESSION FROM SOME OF THE CONVERSATIONS THAT I HAD WITH SOME OF THESE PHYSICISTS AND I REALLY DON'T REMEMBER THE NAMES, WHETHER IT COULD HAVE BEEN MILLER, GREEN OR WHICH ONE, THAT THEY WERE POSSIBLY JOB-SCARED.

Q. BY WHICH YOU -- BY WHAT YOU MEAN WHAT, WHAT DO YOU MEAN BY JOB-SCARED?

A. WELL, THEY WERE SCARED THAT THEY WOULD EITHER GET FIRED FROM THEIR POSITION. WHATEVER JOB-SCARED MEANS. TO ME I

PROBABLY HAVE MY OWN DEFINITION AND IT WOULD BE HARD FOR ME TO PUT THAT INTO WORDS.

Q IN OTHER WORDS, YOU WERE TESTING TO SEE WHETHER THEY HAD BEEN THREATENED BY THEIR SUPERIORS IN SOME WAY?

A. WELL, I GUESS YOU COULD SAY THAT, YOU KNOW, THAT THEY MIGHT HAVE BEEN.

Q. SO THAT EVEN IF THERE WAS NO BASIS FOR THINKING THAT CONGRESSMAN HANSEN WOULD MAKE ANY CALL TO MR. MILLER, YOU WERE SAYING TO MR. MILLER, WOULD IT AFFECT YOU IF CONGRESSMAN HANSEN CALLED YOU, IS THAT WHAT YOU WERE SAYING?

A. YES, SIR.

Q. O. K.

A. OR, I WAS SAYING WOULD THIS HAVE ANY BEARING ON YOUR BEING WILLING TO GO OR NOT.

Q. O. K., BECAUSE YOU WERE TESTING HIM?

A. YES, SIR.

Q. NOW, THERE HAS BEEN SOME TESTIMONY IN YOUR DIRECT EXAMINATION ABOUT THE CIRCUMSTANCES OF REPAYMENT OF THAT 50 THOUSAND DOLLARS LOAN. YOU RECALL THAT, AND YOU TESTIFIED I BELIEVE THAT IT WAS REPAID IN FEBRUARY OR MARCH OF THIS YEAR?

A. SORRY. WAS THE QUESTION THAT THERE WAS SOME QUESTION AS TO THE REPAYMENT? YES, SIR.

Q. YES.

A. YES, SIR.

Q. IT IS TRUE, IS IT NOT, MR. MEADE, THAT YOU BEGAN

CORRESPONDING WITH CONGRESSMAN HANSEN ABOUT THE REPAYMENT OF THAT LOAN ORIGINALLY IN FEBRUARY OF 1983? YOU REMEMBER THAT, IN WHICH YOU ASKED HIM IN A LETTER, TO PLEASE REPAY THE LOAN AT THAT POINT?

A. I SENT HIM A LETTER, SIR, AND AS WELL AS I REMEMBER, IT WAS SOMEWHERE IN THAT TIME FRAME. I DON'T REMEMBER THE DATE OF THAT LETTER.

Q. AND YOU HAD YOUR ATTORNEY, MR. BOWIE, SEND HIM A LETTER AS WELL?

A. YES, SIR.

Q. IN ABOUT APRIL OF 1983?

A. AGAIN, I DON'T REMEMBER THE DATE, BUT I DID HAVE MR. BOWIE SEND HIM A LETTER, YES, SIR, IN '83.

Q. NO PAYMENT ON THE LOAN WAS MADE IN 1983, HOWEVER, IS THAT RIGHT?

A. NO PAYMENT WAS MADE ON THE LOAN, IN'83, YES, SIR.

Q. BUT AFTER YOUR ATTORNEY SENT HIM A LETTER IN APRIL OF 1983, IT IS A FACT, IS IT NOT, THAT YOU HAD YOUR ATTORNEY FILE A LAWSUIT?

A. YES, SIR.

Q. AND IN FACT, ON JUNE 30TH, 1983, THAT LAWSUIT WAS FILED IN THE CIRCUIT COURT FOR THE COUNTY OF ARLINGTON, IS THAT TRUE?

A. WELL, SIR, I DON'T KNOW THE DATES, SIR, BUT IT WAS FILED.

Q. YOU DO KNOW THAT A LAWSUIT WAS FILLED?

A. YES.

Q. AND DO YOU ALSO KNOW THAT THERE WAS SOME SKIRMISHING OVER THAT ORIGINAL COMPLAINT THAT YOU FILED IN COURT?

A. YES, SIR.

Q. BECAUSE, IN FACT, THE NOTE DIDN'T EVEN HAVE A PAYEE ON THAT NOTE, RIGHT?

A. THAT IS CORRECT, SIR.

Q. IT DIDN'T HAVE YOUR NAME AS THE PERSON TO WHOM THE NOTE SHOULD BE PAID?

A. THAT IS CORRECT, SIR.

Q. AND IT IS A FACT, TOO. IS IT NOT, THAT IN JANUARY OF THIS YEAR, WHILE THE LAWSUIT WAS STILL PENDING, YOUR ATTORNEY HAD CONVERSATIONS WITH MR. CAMPBELL, SITTING THERE AT DEFENSE TABLE REGARDING THE SETTLEMENT OF THAT LAWSUIT, IS THAT RIGHT?

A. YES, CONVERSATION WITH A MR. CAMPBELL, AND I ASSUME THAT THIS IS THE ONE.

Q. I DON'T SUGGEST THAT YOU HAVE MET MR. CAMPBELL, BUT I TELL YOU THAT IS MR. CAMPBELL, RIGHT?

A. ALL RIGHT.

Q. AND IN FACT, PURSUANT TO THAT LETTER AND NEGOTIATIONS, LET ME SHOW YOU --

MR. LEWIN: I'LL JUST MARK THAT FOR IDENTIFICATION, DEFENDANT'S EXHIBIT 18 FOR IDENTIFICATION, DEFENDANT'S EXHIBIT 19 FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENTS REFERRED ABOVE WERE MARKED DEFENDANT'S EXHIBITS NOS. 18 AND 19 FOR IDENTIFICATION.)

BY MR. LEWIN.

Q. YOU RECALL THE EXACT DATE THAT THE MATTER WAS SETTLED, THE LAWSUIT WAS SETTLED AND PAYMENT WAS PAID ON THOSE NOTES?

A. NO, SIR, I DON'T.

Q. LET ME SHOW YOU DEFENDANT'S EXHIBITS 18 AND 19 FOR IDENTIFICATION AND SEE IF THAT WILL REFRESH YOUR RECOLLECTION AS TO WHEN THAT PAYMENT WAS MADE ON THAT NOTE?

DOES THAT REFRESH YOUR RECOLLECTION AS TO THE DATE?

A. YES, SIR.

Q. AND WHAT DATE WAS IT?

A. THIS LETTER IS DATED FEBRUARY 9, 1984.

Q. AND ATTACHED TO IT IS A PHOTOCOPY OF A CHECK?

A. YES, SIR.

Q. AND WHAT IS THE DATE OF THAT CHECK?

A. FEBRUARY 8, 1984.

Q. AND IS THAT A COPY OF THE CHECK WHICH PAID OFF THAT LOAN?

A. YES, SIR, I BELIEVE IT IS.

Q. AND THAT RESULTED IN SETTLEMENT OF THE TIME LAWSUIT YOU HAD FILED AGAINST CONGRESSMAN HANSEN?

A. YES, SIR.

MR. LEWIN: I HAVE NO FURTHER QUESTIONS.

THE COURT. REDIRECT?

MR. COLE: JUST A FEW THINGS, YOUR HONOR.

REDIRECT EXAMINATION

BY MR. COLE:

Q. MR. MEADE, YOU SAID YOU HAD A CONVERSATION WITH CONGRESSMAN HANSEN ABOUT THE BOOK WHEN YOU MADE THE LOAN, IS THAT RIGHT?

A. YES, SIR.

Q. THAT WAS THE IRAN BOOK THOUGH, WASN'T IT? IT WAS NOT A BOOK ABOUT IRS?

A. NO, I BELIEVE WE DISCUSSED BOTH BOOKS.

Q. WEREN'T YOU PRIMARILY INTERESTED AND ACTUALLY PROMOTING THE BOOK ON IRAN MORE THAN THE BOOK ON IRS?

A. I REALLY WAS MORE "ENTHUSED" ABOUT PROMOTING THE BOOK ON IRAN THAN I WAS THE I. R. S. YES, SIR.

Q. AND WASN'T THAT WHAT YOU WERE REALLY INTERESTED IN, WAS THAT IRAN BOOK?

A. WELL, I GUESS I WAS INTERESTED IN BOTH, BUT YES, I WAS MORE INTERESTED IN THE IRANIAN.

Q. DIDN'T YOU TESTIFY IN THE GRAND JURY YOU WERE MORE INTERESTED IN THE IRAN BOOK?

A. YES, SIR, I BELIEVE I DID.

Q AND THAT LETTER YOU RECEIVED, THAT DIDN'T SAY ANYTHING ABOUT IRAN, DID IT?

A. I AM SORRY, WHAT LETTER?

Q. THAT LETTER YOU RECEIVED THAT WAS SUPPOSEDLY SOME SOLICITATION LETTER OUT OF CONGRESSMAN HANSEN'S ORGANIZATION, THAT DIDN'T CONCERN, IRAN DID IT?

A. I DON'T REMEMBER WHAT THAT CONCERNED OR WHAT IT SAID.

Q. YOU DON'T REMEMBER WHAT IT SAID?

A. TODAY, I DON'T REMEMBER, NO SIR.

Q. AND YOU DON'T REMEMBER WHAT IT CONCERNED?

A. WELL, IT CONCERNED, AS WELL AS I REMEMBER IT CONCERNED THE PROMOTION OF THE IRS BOOK.

Q. BUT IT DIDN'T MENTION ANYTHING ABOUT IRAN DID IT?

A. I DON'T REMEMBER IT MENTIONING ANYTHING ABOUT IRAN, NO, SIR.

Q. WHEN YOU WERE TOLD THERE WAS GOING TO BE A PROMOTION ON THIS BOOK, YOU WERE TOLD THERE WAS GOING TO BE A PROMOTION FOR A COMMERCIAL VENTURE, WEREN'T YOU, MR. MEADE?

A. BY COMMERCIAL YOU MEAN?

Q. TO MAKE MONEY?

A. TO MAKE MONEY OR TO BE PROFITABLE?

Q. YES.

A. I DON'T REMEMBER HOW THAT WAS SAID, SIR, BUT IT IS MY UNDERSTANDING THAT THEY WOULD BE FUNDS GENERATED SUFFICIENT ENOUGH TO REPAY MY LOAN.

Q. MR. MEADE, DON'T YOU RECALL TALKING TO ME IN ROANOKE, VIRGINIA, ABOUT A WEEK AGO TELLING ME IN THE PRESENCE OF YOUR ATTORNEY THAT YOU UNDERSTOOD IT TO BE A COMMERCIAL VENTURE TO

ADVERTISE THAT BOOK FOR SALE?

MR. LEWIN: YOUR HONOR, MAY WE APPROACH THE BENCH?

MR. LEWIN: IF MR. COLE IS GOING TO TAKE THE WITNESS STAND, I MOVE TO DISQUALIFY HIM. I THINK HE MAY ASK QUESTIONS SUCH AS: DID YOU TELL ME. I THINK THAT IS IMPROPER. I OBJECT TO IT UNLESS HE IS PREPARED TO RECUSE HIMSELF FROM THE CASE AND TAKE THE WITNESS STAND.

THE COURT: I MAY BE MISTAKEN. I AGREE WITH YOU. I DON'T APPROVE OF AN ATTORNEY INTERJECTING HIMSELF. I MAY BE MISTAKEN. BUT I BELIEVE IT HAPPENED ON THIS SIDE OF THE TABLE ONE TIME NOT WITH THIS WITNESS, BUT ONE OF THE LONG AGO TESTIFYING, SOMETHING TO THE EFFECT BY ONE OF THE 3 COUNSELS, DIDN'T YOU TELL ME OR SOMETHING. IT WAS PASSED OVER AT THE TIME. BUT I AGREE WITH YOU MR. LEWIN THAT IT ISN'T PROPER. I DOUBT THAT -- I'LL ADDRESS THE QUESTION TO YOU, MR. LEWIN, -- MR. COLE IS GOING TO BE TAKING THE STAND TO TESTIFY.

MR. COLE: I DON'T INTEND TO. IF I NEEDED TO PROVE IT I COULD PUT MR. LEWIN ON THE STAND.

THE COURT: THAT MAY BE POSSIBLE. I DON'T KNOW. BUT I THINK IT CAN BE COUCHED IN A DIFFERENT WAY AND LET'S SEE WHAT RESPONSE THE WITNESS MAKES TO THE QUESTION.

BUT, CERTAINLY, IT CAN BE ASKED WHETHER HE HAD MADE THAT STATEMENT SOMETIME WITHIN RECENT TIMES. TO WHOM -- YOU DON'T EVEN HAVE TO SAY TO WHOM.

MR. COLE: VERY WELL, YOUR HONOR.

MR. LEWIN: I THINK BY ASKING THE QUESTION, MR. COLE HAS PUT HIS OWN CREDIBILITY BEFORE THE JURY. THAT IS WHAT MAKES IT OBJECTIONABLE. I THINK THERE ARE CASES, YOUR HONOR, THAT DOES NOT PERMIT HIM TO DO IT.

THE COURT: HE IS NOT GOING TO BE PUTTING HIMSELF IN IT, I AGREE WITH YOU, MR. LEWIN. BUT HE CAN ASK THE QUESTION. IF HE WILL ASK IT IMMEDIATELY AFTER THIS BENCH CONFERENCE OR COME BACK TO IT, IT IS UP TO HIM. I AGREE WITH YOU, NEITHER SIDE, IF IT DID HAPPEN. I MAY BE WRONG. THAT IS WHY I AM NOT GOING TO PINPOINT IT. IT COULD HAVE EVEN BEEN MR. WEINGARTEN BUT I HEARD IT AT ONE TIME.

IN ANY EVENT, GOOD THAT WE ARE SPEAKING ABOUT IT NOW. COUNSEL WILL NOT INTERJECT HIMSELF INTO IT. COUNSEL WILL OBVIOUSLY NOT BE TAKING THE STAND AND LET'S SEE IF WE CAN'T GO ABOUT IT SOME OTHER WAY.

IN OPEN COURT:

BY MR. COLE.

Q MR. MEADE, DO YOU RECALL A TIME IN THE PRESENCE OF YOUR ATTORNEY WHEN YOU MADE THE STATEMENT THAT IT WAS YOUR UNDERSTANDING THAT IT WAS A COMMERCIAL VENTURE FOR PROFIT? DO YOU RECALL THAT, SIR?

A. I REMEMBER MAKING A STATEMENT BEFORE MY ATTORNEY, TO YOU, AND I REMEMBER THE TERM, COMMERCIAL, BEING USED. AS TO HOW I DEFINED IT AND I ANSWERED I REALLY DON'T REMEMBER, AND TOWARD THE END OF THE DAY WHAT I AM SAYING, SIR, IS THAT IT WAS

MY UNDERSTANDING THAT THERE WAS GOING TO BE SUFFICIENT FUNDS GENERATED FROM THE PROMOTION OR SALE OF THIS BOOK, TO REPAY MY LOAN.

Q. YOU DIDN'T REALLY CARE ANYTHING ABOUT LOBBYING ON THE IRS, DID YOU, SIR? YOU WERE JUST CONCERNED WITH THE BOOK ON IRAN?

A. WELL, I HAVE NEVER BEEN DOWN ON THE I. R. S. ALL THAT MUCH, SIR. I NEVER HAD THAT MUCH OF A PROBLEM WITH THE I. R. S.. I BELIEVE WE ARE OVER TAXED BUT--

Q. I MEAN IN RELATION TO THIS MONEY?

A. AND I HAD MORE, I HAD A BETTER FEELING ABOUT, AND REALLY HAD MORE INTEREST IN THE BOOK ON IRAN, YES. SIR.

Q. MR. MEADE, ISN'T IT A FACT YOU DIDN'T CARE WHERE THAT MONEY WENT, THE LOAN WAS REALLY TO CONGRESSMAN HANSEN AND YOU WEREN'T CONCERNED ABOUT WHERE THE MONEY WENT?

A. WELL, SIR, I REALLY WAS LOOKING TO CONGRESSMAN HANSEN TO SEE THAT I GOT REPAID.

Q AND THE LOAN WAS TO HIM AND IT DIDN'T MAKE ANY DIFFERENCE TO YOU HOW HE USED IT, ISN'T THAT RIGHT.

A. NO, SIR, I WOULDN'T HAVE CARED HOW HE USED IT.

Q. MR. MEADE, YOU SAID HERE THAT -- MR. LEWIN ON CROSS-EXAMINATION ASKED YOU ABOUT MR. MILLER CALLING YOU, OR YOU CALLING MR. MILLER, AND SAYING TO HIM HOW ABOUT HAVING CONGRESSMAN HANSEN CALL YOU?

A. YES, SIR.

Q. AND YOU TOLD MR. LEWIN THAT WAS A TEST YOU WERE DOING ON MR. MILLER, IS THAT RIGHT?

A. WELL, I BELIEVE THAT WAS MR. LEWIN'S TERM, THAT IT WAS A TEST. BUT TO ME, IT COULD BE, I GUESS, MAYBE CALLED A TEST, TO SEE IF HE WAS JOB-SCARED TO THE POINT HE WOULDN'T GO.

Q. MR. MEADE, DIDN'T YOU EARLIER TELL ME WHEN I ASKED YOU ABOUT YOUR CONVERSATION WITH MR. MILLER THAT YOU DIDN'T RECALL MAKING THAT STATEMENT TO HIM?

THE COURT: YOU MEAN ON YOUR DIRECT EXAMINATION?

MR. COLE: ON MY DIRECT EXAMINATION.

BY MR. COLE.

Q. ON MY DIRECT EXAMINATION. THAT YOU DIDN'T RECALL MAKING THAT STATEMENT TO HIM?

A. DIDN'T RECALL MAKING THE STATEMENT NOW?

Q. ABOUT CONGRESSMAN HANSEN CALLING YOU, DIDN'T YOU SAY THAT ON DIRECT EXAMINATION?

A. I REALLY DON'T REMEMBER, SIR, SAYING THAT.

Q. WILL YOU ALL OF A SUDDEN REMEMBER THIS CONVERSATION NOW WHEN MR. LEWIN IS QUESTIONING YOU ABOUT IT AND DECIDING YOUR MOTIVATION ON IT?

A. I BELIEVE IT WAS MY UNDERSTANDING OF THE QUESTION HE ASKED ME, SIR, IS WHAT WHEN I READ INTO THE RECORD A STATEMENT FROM MY TESTIMONY BEFORE THE GRAND JURY. AND THAT IS WHAT I WAS REFERRING TO IN ANSWER TO HIS QUESTION, SIR.

Q. WELL, HOW DO YOU KNOW WHAT YOUR MOTIVATION WAS IF YOU

DIDN'T REMEMBER HAVING MADE THAT STATEMENT TO MR. MILLER AT THE TIME?

A. WE JUST SAID, SIR, THAT WHAT I AM SAYING IS THAT IT WAS MY UNDERSTANDING THAT HIS QUESTION WAS RELATED TO WHAT I READ FROM MY TESTIMONY BEFORE THE GRAND JURY.

Q. YET, YOU WERE TRYING TO TESTIFY TO MR. LEWIN AS TO THE MOTIVATION YOU HAD AT THE TIME YOU TALKED TO MR. MILLER, WEREN'T YOU?

A. TO ME, HIS QUESTION WAS, SIR, WOULD THAT HAVE BEEN A TEST TO SEE IF MR. MILLER WAS JOB-SCARED.

Q. WAS IT A TEST TO SEE IF MR. MILLER WAS JOB-SCARED?

A. IT COULD HAVE BEEN A SORT OF TEST, BY GOING BY WHAT I TESTIFIED BEFORE THE GRAND JURY, SIR.

Q. BUT YOU HAVE NO RECOLLECTION TODAY OF HAVING SAID THIS TO MR. MILLER?

A. OH, DO I RECALL HAVING SAID THAT? THE ONLY WAY I RECALL IT IS FROM WHAT I TESTIFIED BEFORE THE GRAND JURY, SIR, EVIDENTLY, I DID AT THAT DATE IN TIME.

Q. MR. MEADE, ON CROSS-EXAMINATION, YOU TOLD THE JURY THAT YOU WERE SURPRISED THAT THERE WAS CONGRESSIONAL INFLUENCE USED TO GET THE MEETING WITH THE SECRETARY OF THE ARMY, DO YOU RECALL THAT? I BELIEVE IT WAS MR. LEWIN'S FIRST QUESTION TO YOU.

A. I DON'T RECALL SAYING THAT I WAS SURPRISED. IF I DID, MAYBE I USED THE TERM LOOSELY, SIR, THAT I WONDERED WHY THAT

THERE WAS, THAT CONGRESSMAN HANSEN HAD SET UP A MEETING WHEN IT WAS MY UNDERSTANDING THAT MR. MCAFEE ALREADY KNEW THE SECRETARY OF THE ARMY.

Q. WHY WOULD YOU BE SURPRISED, MR. MEADE, WHEN YOU HAD ALREADY STATED TO MR. MCAFEE THAT YOU THOUGHT IT WAS GOING TO BE GOOD TO HAVE SOME SORT OF CONGRESSMAN OR SENATOR, SOMEONE WHO HAD SOME INROADS INTO THE ARMY MAKING INTRODUCTIONS FOR YOU? WHY WOULD THAT SHOCK YOU THEN?

A. I DON'T REMEMBER WHEN THAT STATEMENT WAS MADE, SIR. I DON'T KNOW WHETHER THAT WAS PRIOR TO THE MEETING AT THE PENTAGON OR WHETHER THAT WAS AFTER THE MEETING AT THE PENTAGON. I DON'T REALLY REMEMBER HAVING MADE THAT STATEMENT.

Q. YOU DON'T REMEMBER HAVING MADE THE STATEMENT TO MR. MCAFEE?

A. AGAIN, IT WOULD HAVE BEEN AN ORDINARY CONVERSATION THAT I HAD, I AM NEITHER DENYING OR ADMITTING THAT I DID. BUT IT WOULD HAVE BEEN AN ORDINARY CONVERSATION I MIGHT HAVE HAD BUT I DON'T RECALL THE TIME THAT STATEMENT WAS MADE.

Q. YOU SAID IT IN THE GRAND JURY, DIDN'T YOU?

A. I DON'T RECALL SIR. IF I COULD READ THE GRAND JURY TESTIMONY.

Q. I CAN SHOW PAGE 19, YOUR HONOR.

MR. LEWIN: MAY I RETRIEVE MY COPY FROM THE WITNESS?

THE COURT: SURELY.

BY MR. COLE:

Q. LINE 10 THROUGH LINE 15.

A. YES, SIR, AGAIN, CAN I READ THAT INTO THE RECORD AS MY TESTIMONY, SIR?

Q. MR. MEADE, RIGHT NOW, I AM ASKING YOU IF YOU SAID THAT IN THE GRAND JURY, THAT YOU TALKED ABOUT HAVING A CONGRESSMAN OR SENATOR WHO COULD HAVE INROADS INTO THE ARMY TO HELP YOU WITH THAT INTRODUCTION?

A. THAT, I BELIEVE STATED THAT I SAID THAT I POSSIBLY COULD HAVE HAD THE CONVERSATION WITH CARL MCAFEE THAT WE MIGHT NEED THE HELP FROM SOME SENATOR OR CONGRESSMAN AND NAMED ONE OR TWO.

Q. SO, IT'S NO SURPRISE THAT CARL MCAFEE CONTACTED A SENATOR OR CONGRESSMAN OR THIS CONGRESSMAN, IS IT, MR. MEADE?

A. WELL, TO ME, IT WOULD BE SOMEWHAT OF A SURPRISE. WELL, MAYBE AGAIN, I MAY HAVE USED THE TERM IN THE WRONG MANNER, SIR, WHEN HE WAS ALREADY A SUPPOSEDLY A FRIEND OR KNEW THE SECRETARY OF THE ARMY, SIR. AND THAT IS WHAT I AM RELATING THAT TO, SIR.

Q. MR. MEADE, YOU TESTIFIED ON CROSS-EXAMINATION THAT THERE WERE SOME OTHER LOANS THAT YOU HAD MADE. ONE OF THESE LOANS WAS TO A MR. WILEY FANCHER -- I BELIEVE THERE WAS DOCUMENTS INTRODUCED TO THAT REGARD -- IS THAT CORRECT, SIR?

A. YES, SIR.

Q. MR. FANCHER IS YOUR BUSINESS PARTNER OR WAS?

A. HE WAS AT THE TIME, SIR.

Q. AT THE TIME YOU MADE THE LOAN?

A. LET ME REPHRASE THAT. HE WAS SUPPOSED TO HAVE EVENTUALLY BECOME A BUSINESS PARTNER, I GUESS, AND SO HE REALLY WASN'T A FULL-FLEDGED BUSINESS PARTNER AT THE TIME.

Q. YOU WERE INVOLVED IN BUSINESS WITH HIM, THOUGH?

A. YES.

Q. AND YOU HAD KNOWN HIM FOR AWHILE.

A. YES, SIR.

Q. AND YOU WERE INVOLVED IN THE HYDROGEN CAR PROJECT THAT HE HAD BROUGHT TO YOUR ATTENTION?

A. YES, SIR.

Q. THE OTHER LOAN WAS TO THE BIG CEDAR SPORTSMAN'S LODGE?

A. BIG CEDAR SPORTSMAN'S ASSOCIATION.

Q. NOW, THAT IS A BUSINESS, ISN'T IT? IT IS NOT A PERSON?

A. I BELIEVE IT IS A CORPORATION, SIR.

Q. IS CONGRESSMAN HANSEN A CORPORATION, MR. MEADE.

A. NO, SIR.

Q. DID YOU LOAN MONEY TO A CORPORATION WHEN YOU LOANED IT TO CONGRESSMAN HANSEN?

A. THE QUESTION IS DID I LOAN MONEY TO A CORPORATION WHEN I LOANED IT TO CONGRESSMAN HANSEN?

Q. YES.

A. NO, SIR.

Q. AND, IN FACT, WITH THE BIG CEDAR SPORTMAN'S LODGE, YOU GOT A DEED OF TRUST AS COLLATERAL ON THAT NOTE, DIDN'T YOU?

A. THERE WAS MORE LOANS MADE TO THE BIG CEDAR SPORTSMAN'S

ASSOCIATION BY ME PERSONALLY, THAN THE ONE THAT YOU ENTERED AS AN EXHIBIT, AND I REALLY DON'T REMEMBER WHICH ONE WAS WHICH. ONE OF THE LOANS WAS SECURED BY A SECOND DEED OF TRUST.

Q. MR. MEADE, WASN'T THERE A DEED OF TRUST THAT COVERED A NUMBER OF THESE LOANS TO BIG CEDAR SPORTSMAN?

A. YES, SIR.

Q. AND THIS WAS ONE OF THEM?

A. PROBABLY IS, SIR, I JUST DON'T RECALL OFFHAND.

Q. WOULD SOMETHING REFRESH YOUR MEMORY AS TO WHETHER THERE WAS A DEED OF TRUST ON THAT LOAN?

A. YES, SIR.

Q. WOULD IT BE A LETTER THAT YOU WROTE ABOUT IT?

A. YES, SIR, IT COULD BE.

Q. READ THAT TO YOURSELF, SIR.

Q. DOES THAT REFRESH YOUR MEMORY, MR. MEADE?

A. YES, SIR..

Q. WAS THAT BIG CEDAR LOAN SECURED BY A DEED OF TRUST?

A. YES, SIR.

Q. HOW ABOUT THE LOAN TO CONGRESSMAN HANSEN WAS THAT SECURED BY A DEED OF TRUST?

Q NO, SIR.

Q. THAT BIG CEDAR LOAN WAS 68 THOUSAND DOLLARS, WASN'T IT?

A. YES, SIR.

Q. AND YOU HAD A DEED OF TRUST ON IT, IS THAT RIGHT?

A. I BELIEVE THAT WAS A SECOND DEED OF TRUST, SIR.

Q. CONGRESSMAN HANSEN'S LOAN WAS 50 THOUSAND DOLLARS, ISN'T THAT RIGHT?

A. YES, SIR.

Q. AND THAT WAS TO A PERSON NOT TO A CORPORATION, ISN'T THAT RIGHT?

A. YES, SIR.

Q. AND YET YOU DIDN'T REQUIRE A DEED OF TRUST FROM HIM, DID YOU?

A. NO, SIR.

Q A PERSONAL LOAN.

THE COURT: BEG YOUR PARDON? I DON'T KNOW IF YOU RESPONDED TO IT.

THE WITNESS: I AM SORRY, I DIDN'T UNDERSTAND THAT AS A QUESTION. YES, A PERSONAL LOAN.

BY MR. COLE:

Q. MR. MEADE, MR. LEWIN ASKED YOU ABOUT WHEN YOU WERE HAVING DIFFICULTIES AT THE BANK, YOU HAD EVER TOLD CONGRESSMAN HANSEN ABOUT THEM?

A. IF I HAD EVER TOLD CONGRESSMAN HANSEN ABOUT MY DIFFICULTIES AT THE BANK?

Q. IS THAT CORRECT. IF YOU HAD TOLD HIM ABOUT THEM WHILE THEY WERE GOING ON IN APRIL OR MAY OF 1982?

A. IS YOUR QUESTION DID HE ASK ME THAT QUESTION?

Q. YES.

A. YES, HE DID.

Q. AND WHAT WAS YOUR ANSWER, SIR?

A. TO THE BEST OF MY MEMORY, I HADN'T.

Q. YOU HADN'T TOLD HIM ANYTHING ABOUT THAT?

A. AT THAT TIME, SIR.

Q. WHO WAS YOUR LAWYER AT THAT TIME, MR. MEADE?

A. CARL MCAFEE.

Q. AND YOU TOLD HIM ABOUT IT, DIDN'T YOU?

A. YES, SIR.

Q. AND THERE WAS SOME PRESS ABOUT THAT, TOO, WASN'T THERE?

A. YES, SIR.

Q. AND IT WAS PRETTY MUCH THE WEEK AFTER YOU RESIGNED THAT THE PRESS STARTED COMING OUT ABOUT THAT, WASN'T IT?

A. I DON'T REMEMBER THE DATES.

Q. IT WAS PRETTY SOON AFTER IT HAPPENED?

A. YES, SOON AFTER IT HAPPENED.

Q. AND, IN FACT, THE EXAMINATION BY THE BANK AUDITORS STARTED ON APRIL FIFTH, DIDN'T IT?

A. AGAIN, I BELIEVE WE VERIFIED IT BEFORE. THAT MR. REASOR HAD STATED THAT WAS THE STATE IT STARTED, AND HE CERTAINLY SHOULD KNOW.

Q. THEN THE PAYMENT CONGRESSMAN HANSEN PLAYED ON THE INTEREST PURSUANT TO YOUR CALL WAS APRIL 14TH, WASN'T IT, OF 1982?

A. I BELIEVE WE ESTABLISHED THAT, SIR, BY THE--

Q. I AM ASKING YOU, SIR, ISN'T THAT TRUE?

A. I DON'T REMEMBER THE DATES, SIR, RIGHT NOW.

Q. I SHOW YOU GOVERNMENT'S EXHIBIT 54, MR. MEADE. ISN'T THAT THE CHECK WE WERE TALKING ABOUT?

A. YES, SIR.

Q. AND ISN'T THAT AN INTEREST PAYMENT CHECK BY CONGRESSMAN HANSEN?

A. IT SAYS -- I ASSUME IT IS AN INTEREST PAYMENT CHECK. $8,476.00.

Q. MADE OUT TO MINERS AND MERCHANTS?

A. YES, SIR.

Q. LITTLE NOTATIONS ON THE BOTTOM TELLING WHAT LOANS IT SHOULD APPLY TO, AND HOW MUCH ON EACH LOAN?

A. I DON'T KNOW SIR. I SEE SOMETHING DOWN HERE, BUT I DON'T KNOW WHAT THAT SAYS.

Q. AND ISN'T THAT THE CHECK HE SENT IN RESPONSE TO YOUR CALL, MR. MEADE?

A. COULD BE, SIR.

Q. AND DIDN'T YOU SAY THAT THAT CAME IN DURING THE TIME OF THE EXAMINATION?

A. BY THE DATE IT HAS, YES, SIR.

Q. WOULDN'T YOU HAVE CALLED HIM AROUND THAT TIME OF THE EXAMINATION?

A. NOT NECESSARILY, SIR. I COULD HAVE CALLED HIM PRIOR TO THE EXAMINATION. I COULD HAVE CALLED HIM THE FIRST OF APRIL OR THE END OF MARCH, BECAUSE THAT IS WHEN THE INTEREST WOULD

HAVE BEEN DUE.

Q. WELL, INTEREST WAS OVERDUE AT THAT POINT, WASN'T IT, MR. MEADE?

A. I DON'T RECALL ABOUT THAT. BUT IT WOULD HAVE BEEN DUE MARCH 31, OR APRIL ONE.

Q. MR. MEADE, YOU TESTIFIED TO MR. LEWIN THAT YOU WERE A RESPECTED BANKER, DIDN'T YOU, OR THOUGHT YOU WERE?

A. I SAID I WOULD LIKE TO THINK I WAS A RESPECTED BANKER.

Q. MR. MEADE, DO RESPECTED BANKERS MISAPPROPRIATE BANK FUNDS?

A. NO, SIR.

Q. DO THEY MAKE FALSE ENTRIES IN BANK LEDGERS?

A. NO, SIR.

Q. DO THEY MAKE FALSE STATEMENTS TO GET BANK LOANS?

A. NO, SIR.

Q. MR. MEADE, WHEN YOU CAME IN TO TALK TO MR. WEINGARTEN AND MYSELF, WITH YOUR ATTORNEY, WE NEVER OFFERED YOU IMMUNITY, DID WE?

A. NO, SIR.

Q. AS A MATTER OF FACT, WHAT WAS GOING ON WAS YOU WERE BEING TOLD YOU MIGHT EVEN BE PROSECUTED, ISN'T THAT TRUE, SIR?

A. YES, SIR.

Q. AND IN RESPONSE TO THAT, MR. MEADE, YOU TOLD YOUR LAWYER THAT YOU HADN'T DONE ANYTHING WRONG, ISN'T THAT RIGHT?

A. YES, SIR.

Q. MR. MEADE, THAT MEETING WAS IN MAY OF 1983, ISN'T THAT RIGHT? DOES THAT COMPORT WITH YOUR RECOLLECTION, SIR?

A. WELL, IT IS DEFINITELY IN'83, AND IT WOULD HAVE BEEN -- I DON'T KNOW WHETHER IT WAS IN MAY, SIR. I DON'T KNOW WHAT THE DATE IT WAS, WAS BUT IT WAS IN'83.

Q. ISN'T IT TRUE, THAT THE NEXT MONTH, IN JUNE OF '83 IS WHEN YOU FILED THIS THAT SUIT AFTER YOU HAD BEEN TO SEE MR. WEINGARTEN AND MYSELF?

A. YOU MEAN WHEN I FILED THE SUIT AGAINST CONGRESSMAN HANSEN?

Q. YES.

A. I BELIEVE THE SUIT -- I REALLY DON'T REMEMBER WHETHER THE SUIT WAS FILED AFTER OR BEFORE, SIR.

Q. MR. MEADE, LET ME SHOW YOU A COPY, IF I CAN --

MR. COLE: YOUR HONOR, I WOULD LIKE THESE FOR IDENTIFICATION TOGETHER MARKED AS EXHIBIT 61.

THE COURT: ALL RIGHT.

(WHEREUPON, GOVERNMENT'S EXHIBIT NO. 61 MARKED FOR IDENTIFICATION.)

BY MR. COLE:

Q. MR. MEADE, JUST LOOK AT THESE AND SEE IF YOU CAN PERHAPS SEE A DATE ON THEM AS TO WHEN SUITS WERE FILED ON YOUR BEHALF?

A. YES, SIR, I SEE IT SAYS WITNESS' SIGNATURE AND THE AFFIANTS WAS THE 24TH DAY OF JUNE 1983.

Q. AND YOU WERE THE AFFIANT?

A. YES, SIR.

Q. THIS SUIT WAS FILED IN JUNE OF 1983, WASN'T IT?

A. YES, SIR. BY THOSE DOCUMENTS IT WAS, SIR.

Q. AND THAT WAS JUST A MONTH AFTER YOU HAD BEEN IN TO SEE MR. WEINGARTEN AND MYSELF, ISN'T THAT RIGHT?

A. I REALLY DON'T REMEMBER THE DATE, SIR, I WAS UP HERE BUT IT WOULD HAVE BEEN PRIOR TO THE FIRST OF JUNE THAT WE WERE UP HERE, BECAUSE WE WERE UP HERE BEFORE THE HEARING IN ROANOKE.

Q. MR. MEADE, YOU SAID THAT YOU THOUGHT THE DEBT WAS GOING TO BE PRETTY GOOD WITH CONGRESSMAN HANSEN AND IT TURNED OUT NOT TO BE PRETTY GOOD, ISN'T THAT RIGHT?

A. WELL, I GOT PAID WITH MY INTEREST.

Q. ISN'T IT TRUE THAT YOU NEVER MADE ANY REQUEST FOR INTEREST UNTIL AFTER YOU HAD BEEN -- OR ANY REQUEST FOR PAYMENTS UNTIL AFTER YOU HAD BEEN IN THE GRAND JURY IN THIS MATTER?

Q. DO YOU RECALL THE DATE YOU WERE IN THE GRAND JURY?

A. I REALLY DON'T REMEMBER ON THAT, SIR. I KNOW THAT I MADE A -- SEEMED LIKE I REMEMBER MAKING A VERBAL REQUEST FOR SOMETIME OR ANOTHER PRIOR TO HAVING THE ATTORNEY SEND HIM A LETTER -- OR PRIOR TO MY SENDING HIM A LETTER REQUESTING PAYMENT. IT SEEMED TO ME LIKE I HAD A CONVERSATION WITH THE CONGRESSMAN PRIOR TO THE DATE OF THAT LETTER ASKING FOR SOME TYPE OF PAYMENT.

Q. YOU REMEMBER WHEN YOU WERE IN THE GRAND JURY, MR. MEADE?

A. YES, SIR.

Q. YOU REMEMBER THE DATE?

A. NO, SIR.

MR. COLE: I'D LIKE TO SHOW THE WITNESS THE GRAND JURY TESTIMONY, YOUR HONOR.

THE COURT: ALL RIGHT. WAIT JUST A MOMENT WHILE WE CHANGE REPORTERS.

BY MR. COLE:

Q WHAT WAS THE DATE YOU WERE IN THE GRAND JURY, MR. MEADE?

A THURSDAY, JANUARY 27TH, 1983.

Q AND WASN'T IT FEBRUARY 8TH, '83, THAT THE FIRST LETTER WAS SENT BY YOUR ATTORNEY TO CONGRESSMAN HANSEN REQUESTING PAYMENT OF THAT LOAN, THAT $50,000 LOAN?

A IT WAS AFTER THE DATE THAT I TESTIFIED BEFORE THE GRAND JURY, BUT I DON'T REMEMBER THE DATE THAT MY ATTORNEY SENT THE LETTER.

Q DIDN'T YOU JUST TESTIFY ON CROSS-EXAMINATION THAT IT WAS THE 8TH OF FEBRUARY, '83, THAT THAT LETTER WAS SENT?

A I BELIEVE SOMEBODY SHOWED ME A COPY OF THE LETTER, DID THEY NOT?

Q AND DIDN'T YOU TESTIFY ON CROSS-EXAMINATION THAT ON MAY 4TH, AFTER YOUR MEMORY HAD BEEN REFRESHED, YOU WERE IN THE OFFICES OF MR. WEINGARTEN AND ME DISCUSSING YOUR INVOLVEMENT IN THIS CASE?

A AGAIN, I REMEMBER TESTIFYING TO THAT, BUT I DON'T REMEMBER THE DATE AS BEING MAY THE 4TH. I'M NOT --

Q AND ISN'T IT TRUE THAT ONE MONTH LATER, YOU FILED SUIT, ONLY AFTER WE AGAIN HAD QUESTIONED YOUR INVOLVEMENT IN THIS?

A WELL, IT SEEMS TO ME THE INSTRUMENT IS GOING TO SHOW THOSE EXACT DATES. YOU KNOW, I CAN'T JUST SIT HERE AND RECALL ALL THE DATES WE'VE BEEN THROUGH. I CAN'T RECALL THE

EXACT DATES THAT, YOU KNOW, YOU ARE ASKING FOR RIGHT NOW, SIR.

Q MR. MEADE, THERE'S A CHECK UP THERE THAT MR. LEWIN SHOWED YOU CONCERNING PAYMENT OF THE LOAN. IS THAT CORRECT?

A YES, SIR.

Q DEFENDANT'S EXHIBIT 19?

A YES, SIR.

Q WHO IS THAT CHECK MADE OUT TO, MR. MEADE?

A JOHN D. MEADE, JR.

Q WHO IS THAT CHECK SIGNED BY?

A G. HANSEN.

Q WHAT KIND OF ACCOUNT IS THAT CHECK WRITTEN ON?

A TO ME, IT WOULD BE A JOINT ACCOUNT, SIR. YOU KNOW, I DON'T REALLY KNOW HOW HE HAS IT -- THE ACCOUNT IS SET UP, BUT BY THE NAMES AT THE TOP, I WOULD CONSIDER IT BEING A JOINT ACCOUNT.

Q WITH THE CONGRESSMAN AND HIS WIFE?

A THAT'S THE NAMES THAT APPEAR AT THE TOP OF THE CHECK, YES, SIR.

Q NO NAME OF ANY ORGANIZATION THERE, IS THERE?

A NO, SIR.

Q AND THE DATE OF THAT CHECK, MR. MEADE?

A FEBRUARY THE 8TH, 1984.

Q ARE YOU AWARE, MR. MEADE, THAT THAT CHECK OF FEBRUARY 8TH, 1984, CAME SHORTLY AFTER THE TRIAL DATE IN THIS

MATTER WAS SET?

A NO, SIR.

MR. COLE: YOUR HONOR, I WOULD MOVE ADMISSION OF DEFENDANT'S EXHIBIT 19 AT THIS TIME AND GOVERNMENT'S EXHIBIT 52, WHICH IS THE $50,000 NOTE. I NEGLECTED TO MOVE THAT BEFORE.

THE COURT: MR. LEWIN?

MR. LEWIN: WE HAVE NO OBJECTION. I'M SORRY. WHAT IS GOVERNMENT'S EXHIBIT 52?

MR. COLE: GOVERNMENT'S EXHIBIT 52 IS THE $50,000 NOTE SIGNED BY CONGRESSMAN HANSEN TO JOHN MEADE.

MR. LEWIN: THAT HASN'T BEEN OFFERED IN EVIDENCE PREVIOUSLY?

MR. COLE: APPARENTLY NOT. I CHECKED THE CLERK'S ROSTER.

THE COURT: IF IT HASN'T BEEN OFFERED IN EVIDENCE PREIVOUSLY, AND IT CERTAINLY WAS MARKED FOR IDENTIFICATION PREVIOUSLY, ANY OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: WITHOUT OBJECTION, IT IS IN EVIDENCE.

(GOVERNMENT'S EXHIBIT NO. 52
WAS RECEIVED IN EVIDENCE)

THE COURT: AND YOUR EXHIBIT NO. 19 I BELIEVE WAS ALSO OFFERED. NO OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(DEFENDANT'S EXHIBIT NO. 19
WAS RECEIVED IN EVIDENCE)

MR. COLE: YOUR HONOR, AT THIS TIME, IF I MAY, I WOULD LIKE TO COMPLETE THE CHART.

THE COURT: ALL RIGHT.

MR. COLE: YOUR HONOR, PERMISSION TO PLACE THIS ON THE CHART AND PUBLISH IT TO THE JURY?

THE COURT: YOU DO.

MR. COLE: JUNE 23: "HANSEN, MCAFEE AND MEADE MEET WITH SECRETARY OF THE ARMY AT THE PENTAGON."

THE COURT: EXCUSE ME. WHAT DATE DID YOU SAY, SIR?

MR. COLE: JUNE 23, 1981, YOUR HONOR -- OR JULY 23. I'M SORRY.

NOVEMBER 21, 1981: "GEORGE HANSEN RECEIVES $5,000 LOAN FROM MEADE."

THE COURT: I THINK THE AMOUNT --

MR. COLE: $50,000 LOAN. I'M SORRY, YOUR HONOR. IT'S GETTING A LITTLE LATE.

I HAVE NO FURTHER QUESTIONS RIGHT NOW, YOUR HONOR.

THE COURT: RECROSS?

RECROSS EXAMINATION

BY MR. LEWIN:

Q MR. MEADE, THAT CHECK THAT IS NOW IN EVIDENCE AS DEFENDANT'S EXHIBIT 19, WHAT AMOUNT IS THAT IN?

A EXHIBIT 19?

Q YES.

A $66,726.12.

Q SO THAT IS THE $50,000 PLUS ACCUMULATED INTEREST.

A YES, SIR.

Q AND THAT'S PRIME RATE PLUS 1 PERCENT.

A YES, SIR.

Q AND THAT WAS A GOOD RATE OF INTEREST, WASN'T IT?

A YES, SIR.

Q NOW, MR. COLE ASKED YOU NOW ON REDIRECT ABOUT YOUR GRAND JURY TESTIMONY CONCERNING INROADS BY CONGRESSMEN OR SENATORS IN THIS MATTER. COULD YOU JUST TELL US, WITH REFERENCE TO YOUR GRAND JURY TESTIMONY, WHAT YOU MEANT BY THAT? AND I SHOW YOU SPECIFICALLY PAGE 19, LINES 17 THROUGH 24.

THE COURT: IS THERE A QUESTION? I'M SORRY.

MR. LEWIN: YES. I AM JUST ASKING THE WITNESS TO EXPLAIN, AS HE HAD EXPLAINED BEFORE THE GRAND JURY, WHAT HE MEANT BY THAT REFERENCE TO ASSISTANCE FROM CONGRESSMEN.

THE WITNESS: WELL, I BELIEVE WHAT I JUST READ IN MY TESTIMONY THERE WAS THAT --

MR. COLE: YOUR HONOR, IF I MAY. THE QUESTION FROM MR. LEWIN WAS WHAT DID HE MEAN BY IT.

MR. LEWIN: YES.

MR. COLE: NOT WHAT THE WITNESS HAD READ.

BY MR. LEWIN:

Q WELL, WHEN YOU USED THAT IN THE GRAND JURY, DOES THIS REFRESH YOUR RECOLLECTION AS TO WHAT YOU MEANT? AND YOU EXPLAINED IT TO THE GRAND JURY, DID YOU NOT?

MR. LEWIN: MAYBE THE EASIEST WAY, YOUR HONOR, IS MAY I READ THE WITNESS' --

THE COURT: WELL, WHY DON'T YOU JUST ASK HIM THE QUESTION AND SEE IF HE CAN DO IT WITHOUT REFERENCE TO THE GRAND JURY TESTIMONY, MR. LEWIN. IF NOT, OF COURSE.

THE WITNESS: WOULD YOU PLEASE REPHRASE THE QUESTION -- I MEAN RESTATE THE QUESTION?

BY MR. LEWIN:

Q WHEN YOU SPOKE TO THE GRAND JURY ABOUT USING A CONGRESSMAN, CONGRESSMAN BILL WAMPLER OR SENATOR HARRY BYRD OR SOMEBODY WHO COULD HAVE SOME INROADS INTO THE ARMY, DID YOU THEN EXPLAIN TO THE GRAND JURY WHAT YOU MEANT BY THAT?

A YES, SIR.

Q O.K. AND WHAT -- COULD YOU NOW JUST TELL THIS COURT AND JURY WHAT YOU MEANT.

A WELL, I MEANT THAT TO ME IT WOULD HAVE BEEN NO MORE THAN IF I HAD A PROBLEM IN FARMING OR WANTED TO GET SOME INFORMATION PERTAINING TO FARMING, CONGRESSMAN BILL WAMPLER FROM OUR -- OR MY HOME DISTRICT WAS A MEMBER OF THE HOUSE AGRICULTURE COMMITTEE. YOU KNOW, I WOULDN'T HAVE THOUGHT IT WRONG TO GO TO HIM AND ASK FOR ASSISTANCE IN SEEING THE

SECRETARY OF AGRICULTURE IF THAT'S WHO I'D HAVE NEEDED TO HAVE SEEN, SIR. AND THAT WAS THE WAY THAT I TRIED TO EXPLAIN THAT TO THE GRAND JURORS.

Q AND YOU EXPLAINED, ALSO, THAT IT WAS YOUR VIEW THAT ONE OF THE REASONS THAT WE PUT CONGRESSMEN INTO THE UNITED STATES HOUSE OF REPRESENTATIVES WAS FOR THEM TO HELP THEIR CONSTITUENTS IN THAT. THAT'S YOUR UNDERSTANDING.

A YES, SIR.

Q NOW, MR. COLE ASKED YOU ABOUT THOSE TWO PARTICULAR LOANS THAT I HAD PUT BEFORE YOU, THE LOAN TO MR. FANCHER AND THE LOAN TO THE BIG CEDAR SPORTSMEN'S ASSOCIATION.

A YES, SIR.

Q THOSE TWO LOANS WERE ONLY ONE OF 16 SPECIFIC ITEMS THAT YOU LISTED IN A LETTER TO MR. COLE DATED RECEIVED ON FEBRUARY 23RD, 1983, OF LOANS THAT YOU HAD GIVEN IN A PERSONAL CAPACITY TO OTHER PRIVATE INDIVIDUALS IN AMOUNTS EXCEEDING $100. IS THAT RIGHT?

A I SUBMITTED A LIST TO MR. COLE. I DON'T REMEMBER THE NUMBER THAT WAS ON THAT LIST OR THE DATE THAT I SUBMITTED IT, SIR.

Q O.K. BUT IT DID HAVE A SUBSTANTIAL NUMBER OF LOANS AND COPIES OF PROMISSORY NOTES AND THINGS OF THAT KIND.

A YES, SIR.

Q AND IT WAS IN RESPONSE TO HIS SPECIFIC REQUEST WHETHER YOU HAD PROVIDED PERSONAL FUNDS OF YOURS TO OTHER

PRIVATE INDIVIDUALS.

A YES, SIR.

Q AND THAT WAS A LIST THAT YOU GOT UP FROM YOUR RECORDS AT THE TIME.

A YES, SIR.

Q AND SPECIFICALLY, FOR EXAMPLE, YOU SENT HIM A PROMISSORY NOTE DATED DECEMBER 20, 1981, FROM ONE JAMES BRYANT IN THE AMOUNT OF $3,000. IS THAT RIGHT? DO YOU RECALL THAT?

A I RECALL HAVING MADE A LOAN TO JAMES BRYANT. IT'S PROBABLY IN THAT LIST THAT I SUBMITTED TO HIM, YES, SIR.

Q O.K. AND YOU TOLD HIM THAT THE ENTIRE PRINCIPAL AMOUNT AND ACCRUED INTEREST WAS STILL OUTSTANDING AS OF FEBRUARY 22, 1983.

A YES, SIR.

Q AND THERE WAS A PROMISSORY NOTE TO ONE CARSON BROWN DATED APRIL 21, 1981, IN THERE.

A AGAIN, I REMEMBER MAKING A LOAN TO CARSON BROWN, PERSONALLY, BUT I DON'T REMEMBER THE DATES. AND I BELIEVE THE AMOUNT WAS $2,000.

MR. LEWIN: LET'S JUST MARK THE ENTIRE DOCUMENT.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 20 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 20 WAS MARKED FOR IDENTIFICATION.

BY MR. LEWIN:

Q I SHOW YOU DEFENDANT'S EXHIBIT 20 MARKED FOR IDENTIFICATION. IS THAT A COPY OF THE LETTER THAT YOU SENT WITH ALL THE ATTACHMENTS CONCERNING PROMISSORY NOTES AND OTHER LOANS THAT YOU HAD GIVEN FROM YOUR PERSONAL FUNDS TO VARIOUS PEOPLE?

A YES, SIR.

Q AND THERE ARE IN THERE A SUBSTANTIAL NUMBER OF LOANS TOTALLY INTEREST-FREE, AREN'T THERE? MAYBE THE WORD -- I'M SORRY. I WON'T USE THE WORD --

A THERE'S PROBABLY SOME IN THERE, SIR.

Q SOME IN THERE. ALL RIGHT. I WAS GOING TO STRIKE THE WORD "SUBSTANTIAL." THERE ARE SOME LOANS IN THERE THAT ARE TOTALLY INTEREST-FREE?

A DO YOU WANT ME TO LOOK THROUGH THERE, SIR? I DON'T REALLY REMEMBER.

Q JUST FROM YOUR RECOLLECTION AS TO WHAT YOU HAVE LENT TO PEOPLE FROM YOUR PERSONAL FUNDS. HAVE YOU LENT MONEY INTEREST-FREE?

A I HAVE LENT --

THE COURT: LET HIM ANSWER, MR. LEWIN.

THE WITNESS: I HAVE LENT MONEY PERSONALLY FREE -- OR INTEREST-FREE FOR A SHORT PERIOD OF TIME, YES, SIR.

BY MR. LEWIN:

Q O.K. AND THERE ARE LOANS AT LESS THAN A RATE OF INTEREST OF PRIME PLUS 1 PERCENT.

A I HAVE MADE LOANS. I DON'T RECALL, YOU KNOW, WHAT'S LISTED IN HERE, SIR.

MR. LEWIN: WE WILL OFFER DEFENDANT'S EXHIBIT 20 IN EVIDENCE.

MR. COLE: NO OBJECTION, YOUR HONOR.

THE COURT: IT'S IN EVIDENCE.

(DEFENDANT'S EXHIBIT NO. 20 WAS RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q YOU ANSWERED MR. COLE BY SAYING THAT YOU WERE MORE ENTHUSIASTIC ABOUT THE POTENTIAL BOOK ON IRAN THAN ABOUT THE BOOK ON THE INTERNAL REVENUE SERVICE; IS THAT CORRECT?

A YES, SIR.

Q BY THE WAY, YOU DID SAY THAT THE BOOK THAT CONGRESSMAN HANSEN GAVE YOU HAD A WHITE COVER. IS THAT CORRECT? AS YOU RECALL?

A I BELIEVE THAT'S CORRECT, SIR.

Q O.K. LET ME SHOW YOU WHAT I WILL MARK AS DEFENDANT'S EXHIBIT 21.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 21 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 21 WAS MARKED FOR IDENTIFICATION)

MR. LEWIN: YOUR HONOR, THIS IS -- I WOULD LIKE --

THE COURT: WHY DON'T WE HAVE THE WITNESS TELL US

WHAT IT IS.

MR. LEWIN: O.K. NO, I WOULD JUST LIKE TO HAVE PERMISSION TO SUBSTITUTE ANOTHER COPY OF THIS, BECAUSE THIS ONE DOES HAVE -- IT'S A COPY I'VE BEEN USING, AND IT DOES HAVE SOME RED UNDERLININGS. IT'S THE ONLY ONE I HAVE IN COURT RIGHT NOW.

THE COURT: WE WILL SEE IF IT BECOMES RELEVANT TO HAVE ANOTHER COPY SUBSTITUTED.

MR. LEWIN: WALL RIGHT.

BY MR. LEWIN:

Q SHOWING YOU DEFENDANT'S EXHIBIT 21 FOR IDENTIFICATION, DOES THAT LOOK MORE LIKE THE VOLUME THAT THE CONGRESSMAN GAVE YOU?

A YES, SIR. TO MY MEMORY, THAT LOOKS MORE LIKE THE VOLUME.

Q AND WHAT IS THE TITLE OF THAT VOLUME?

A "HOW THE IRS SEIZES YOUR DOLLARS AND HOW TO FIGHT BACK."

Q BY?

A BY CONGRESSMAN GEORGE HANSEN, WITH LARRY ANDERSON.

Q AND THAT, IF YOU WILL LOOK AT THAT, IS THAT A SECOND EDITION, OR A 1981 EDITION OF THE BOOK, JUST TURNING ON THE INSIDE PAGE?

A IT SAYS "COPYRIGHT 1981 BY GEORGE HANSEN" -- GEORGE V. HANSEN.

Q ALL RIGHT.

MR. LEWIN: WE OFFER DEFENDANT'S EXHIBIT 21 IN EVIDENCE, YOUR HONOR, AND WE WOULD LIKE TO SUBSTITUTE A CLEAN COPY, BECAUSE THAT ONE, AS I SAY, HAS BEEN MARKED.

MR. COLE: YOUR HONOR, WE HAVE NO OBJECTION OTHER THAN THE OBJECTION WE RAISED BEFORE.

THE COURT: ALL RIGHT. IT'S IN EVIDENCE. AND YOU CAN SUBSTITUTE THE CLEAN COPY TOMORROW, MR. LEWIN?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: ALL RIGHT, FINE. IN THE MEANTIME, WE WILL HOLD ON TO THIS COPY.

(DEFENDANT'S EXHIBIT NO. 21
WAS RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q NOW, WITH REGARD TO YOUR ENTHUSIASM ABOUT A BOOK ABOUT IRAN, YOU WERE REFERRING SPECIFICALLY TO CONVERSATIONS YOU HAD HAD WITH CONGRESSMAN HANSEN ABOUT WHAT LARGE BANKS HAD DONE WITH REGARD TO PROPERTY -- IRANIAN PROPERTY; IS THAT RIGHT?

A WELL, THERE WERE CONVERSATIONS HAD THAT I HAD WITH CONGRESSMAN HANSEN THAT -- PLUS NEWS ARTICLES OR NEWS STORIES THAT I HAD READ THAT SLANTED OR INDICATED THAT THERE WAS SOME LARGE BANKS INVOLVED MONETARILY.

Q INVOLVED MONETARILY IN --

A IN IRAN OR THROUGH THE IRANIAN HOSTAGE SITUATION, SIR.

Q SO WHEN YOU WERE TALKING ABOUT GREATER INTEREST ABOUT -- IN IRAN, YOU WERE NOT TALKING ABOUT SIMPLY THE HISTORY OF THE INDIVIDUALS WHO WERE BEING HELD HOSTAGE, BUT YOU WERE TALKING ABOUT THINGS HAVING TO DO WITH THE FINANCIAL INTEREST, THE FINANCIAL SIDE OF THE IRANIAN QUESTION.

A YES, SIR.

Q O.K. AND THAT HAD BEEN THE SUBJECT OF SOME DISCUSSION BETWEEN YOURSELF AND CONGRESSMAN HANSEN.

A YES, SIR.

Q AND IT WAS YOUR UNDERSTANDING THAT THERE MIGHT WELL BE A BOOK BY CONGRESSMAN HANSEN ON THAT SUBJECT, AS WELL.

A YES, SIR.

Q NOW, JUST ONE FINAL QUESTION, MR. MEADE. MR. COLE ASKED YOU WHETHER YOUR LAWSUIT FILED IN JUNE OF 1983 WAS FILED ONLY AFTER YOU HAD HAD -- YOUR COUNSEL HAD HAD A MEETING ON MAY 4, 1983, WITH MR. COLE AND MR. WEINGARTEN. DO YOU RECALL THAT QUESTION?

A YES, SIR.

Q ALL RIGHT. LET ME SHOW YOU --

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 22 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 22 WAS MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q -- WHAT I HAVE MARKED FOR IDENTIFICATION DEFENDANT'S EXHIBIT 22. DO YOU RECOGNIZE THAT LETTER, MR. MEADE?

A YES, SIR.

Q AND IT'S A LETTER FROM YOUR COUNSEL TO CONGRESSMAN HANSEN?

A YES, SIR.

Q ABOUT THE $50,000 LOAN?

A YES, SIR.

Q AND IT DEMANDS PAYMENT OF THE PRINCIPAL PLUS INTEREST?

A YES, SIR.

Q AND YOU RECEIVED A COPY OF THAT LETTER?

A YES, SIR.

Q AND THAT LETTER WAS WRITTEN WITH YOUR AUTHORIZATION AND INSTRUCTION?

A YES, SIR.

MR. LEWIN: WE MOVE DEFENDANT'S EXHIBIT 21 IN EVIDENCE.

MR. COLE: NO OBJECTION, YOUR HONOR.

THE COURT: IT'S IN EVIDENCE.

(DEFENDANT'S EXHIBIT NO. 22
WAS RECEIVED IN EVIDENCE)

THE COURT: MAY I SEE SOME OF THOSE DOCUMENTS UP THERE, PLEASE?

MR. LEWIN: YES, YOUR HONOR. WHICH --

THE COURT: ALL OF THOSE THAT ARE IN EVIDENCE THAT

ARE UP THERE WILL BE HELPFUL. BUT THE TESTIMONY CAN CONTINUE, OF COURSE. THANK YOU.

BY MR. LEWIN:

Q WOULD YOU PLEASE -- LET ME READ JUST TWO PARAGRAPHS OF THIS LETTER.

"DEAR CONGRESSMAN HANSEN: I HAVE BEEN CONSULTED" -- IT'S DATED APRIL 5, 1983. "I HAVE BEEN CONSULTED BY JOHN D. MEADE, JR., PERTAINING TO THE COLLECTION OF A PROMISSORY NOTE DATED NOVEMBER 21, 1981, EVIDENCING A LOAN TO YOU IN THE AMOUNT OF $50,000 BEARING INTEREST AT THE RATE OF PRIME PLUS 1 PERCENT FROM THE DATE OF THE NOTE. MR. MEADE DOES NOT WISH TO CAUSE YOU ANY EMBARRASSMENT OR ANY UNNECESSARY PROBLEMS, BUT HE NEEDS HIS MONEY AND IS MORALLY AND LEGALLY ENTITLED TO RECEIVE IT. I WOULD APPRECIATE YOUR REMITTING THE AMOUNT OWED TO MR. MEADE WITHOUT FURTHER DELAY. THE INTEREST ACCRUED FROM NOVEMBER 21, 1981, THROUGH APRIL 5, 1983, AMOUNTS TO $10,611.77. IT WILL CONTINUE TO ACCRUE AT THE RATE OF $16.67 PER DAY THEREAFTER.

"WE TRUST AND HOPE THAT FURTHER LEGAL ACTION WILL NOT BE NECESSARY. VERY TRULY YOURS, J. D. BOWIE."

WAS THAT A LETTER FROM YOUR ATTORNEY TO MR. HANSEN TELLING HIM THAT IF HE DIDN'T PAY, IT WOULD BE NECESSARY TO BRING A LAWSUIT?

A YES, SIR.

MR. LEWIN: THANK YOU. NO FURTHER QUESTIONS.

MR. COLE: I HAVE NOTHING MORE, YOUR HONOR.

THE COURT: ALL RIGHT, MR. MEADE. YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED.

THE WITNESS: THANK YOU, YOUR HONOR.

MR. WEINGARTEN: YOUR HONOR, HWE HAVE ANOTHER STIPULATION. THIS MIGHT BE A GOOD TIME TO PUBLISH IT.

THE COURT: RIGHT.

MR. WEINGARTEN: STIPULATION NO. 10:

"IT IS HEREBY STIPULATED AND AGREED BETWEEN THE PARTIES THAT THE ATTACHED SCHEDULE C, PROFIT OR LOSS STATEMENTS, ARE FROM THE TAX RETURNS OF GEORGE AND CONNIE HANSEN FILED IN 1980, 1981, AND 1982, AND THAT THE NET LOSSES REFLECTED IN ALL THREE STATEMENTS WERE USED AS TAX DEDUCTIONS BY THE HANSENS FOR EACH OF THE THREE YEARS. RESPECTFULLY SUBMITTED," THE PARTIES.

AND ATTACHED THERETO, YOUR HONOR, ARE THREE SCHEDULE C, PROFIT OR LOSS FROM BUSINESS OR PROFESSIONAL STATEMENTS, FOR THE YEARS 1980, 1981 AND 1982. FOR PURPOSES OF IDENTIFICATION, I THINK WHEN THE CLERK GETS DONE WRITING WE BETTER MARK THESE. THE NEXT GOVERNMENT EXHIBIT WOULD BE --

THE DEPUTY CLERK: 62.

MR. WEINGARTEN: 62-A FOR 1980, 62-B FOR 1981, AND 62-C FOR 1982. WITH THE COURT'S PERMISSION, I WOULD LIKE TO PUBLISH JUST THE FIRST BOX FOR EACH SCHEDULE C.

THE COURT: ALL RIGHT.

MR. WEINGARTEN: ON TOP OF 62-A IT SAYS, "PROFIT OR LOSS FROM BUSINESS OR PROFESSION." ALSO SAYS "SCHEDULE C. NAME OF PROPRIETOR, GEORGE V. HANSEN. MAIN BUSINESS ACTIVITY, WRITING. PRODUCT, BOOK. BUSINESS NAME, SELF. BUSINESS ADDRESS, SAME."

I REPRESENT TO THE COURT THAT 62-B AND 62-C HAVE IDENTICAL NOTATIONS.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, AS YOU HAVE PREVIOUSLY BEEN ADVISED, A STIPULATION IS AN AGREED-UPON STATEMENT BETWEEN COUNSEL, AND YOU MAY CONSIDER THOSE MATTERS AS UNDISPUTED EVIDENCE.

MR. COLE: THE GOVERNMENT'S NEXT WITNESS IS THOMAS MILLER, YOUR HONOR.

THOMAS G. MILLER

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD EVENING, DR. MILLER.

THE WITNESS: HOW ARE YOU?

DIRECT EXAMINATION

BY MR. COLE:

Q DR. MILLER, WOULD YOU PLEASE STATE YOUR FULL NAME AND SPELL YOUR LAST NAME FOR THE COURT REPORTER?

A THOMAS G. MILLER, M-I-L-L-E-R.

Q HOW ARE YOU EMPLOYED, DR. MILLER?

A I AM EMPLOYED BY THE GENERAL RESEARCH CORPORATION.

Q AND WHERE IS THAT LOCATED?

A THE MAIN OFFICE IS IN SANTA BARBARA, CALIFORNIA, BUT I'M AT THE HUNTSVILLE BRANCH.

Q THAT'S HUNTSVILLE, ALABAMA?

A HUNTSVILLE, ALABAMA.

Q BEFORE WORKING FOR THIS COMPANY, DID YOU WORK AT REDSTONE ARSENAL AT SOME POINT?

A I DID, FOR ABOUT 28 YEARS.

Q AND WHEN DID YOU LEAVE THE REDSTONE ARSENAL?

A DECEMBER OF 1981.

Q WHAT WAS YOUR JOB AT THE REDSTONE ARSENAL?

A AT THE TIME I LEFT, I WAS A BRANCH CHIEF OF THE TECHNOLOGY DIVISION OF THE HIGH-ENERGY LASER LABORATORY.

Q OF -- EXCUSE ME?

A IT WAS THE ENERGY DIRECTORATE. IT WAS A LASER LABORATORY, THE HIGH-ENERGY LASER LABORATORY.

Q AND COULD YOU TELL THE JURY WHAT THE REDSTONE ARSENAL IS, PLEASE?

A THE REDSTONE ARSENAL IS AN ARMY INSTALLATION. IT IS REALLY IN CHARGE OF THE ARMY'S LASER PROGRAM AND THE ARMY'S MISSILE PROGRAM.

Q IS THE REDSTONE ARSENAL PART OF THE ARMY?

A CERTAINLY IS. PART OF THE U. S. ARMY MISSILE -- THE U. S. ARMY MISSILE COMMAND IS LOCATED AT REDSTONE ARSENAL.

Q AND THAT'S A MILITARY BASE, THE REDSTONE ARSENAL?

A IT'S A MILITARY BASE.

Q I WOULD LIKE TO DIRECT YOUR ATTENTION NOW TO SEPTEMBER OF 1981. YOU WERE WORKING AT THE REDSTONE ARSENAL THEN?

A THAT'S CORRECT.

Q DID YOU HAVE AN OCCASION TO MEET WITH TWO MEN BY THE NAME OF JOHN MEADE AND CARL MCAFEE?

A I DID.

Q AND WAS THIS MEETING IN HUNTSVILLE, ALABAMA?

A IT WAS.

Q WHAT WAS THE PURPOSE OF THIS MEETING, DR. MILLER?

A SOMEONE HAD ASKED ME IF I WOULD MEET WITH THESE TWO GENTLEMEN TO TRY TO ASCERTAIN THE FEASIBILITY OF A HYDROGEN ENGINE.

Q WOULD IT BE FAIR TO SAY THIS ENGINE, THIS HYDROGEN ENGINE WAS AN ENGINE THEY SAID COULD RUN ON WATER?

A THAT'S WHAT THEY SAID.

Q AND DID YOU MEET WITH MR. MEADE AND MR. MCAFEE TO DISCUSS THIS?

A YES.

Q WAS THERE ANY MENTION MADE OF THEM WANTING YOU TO GO TO AUSTRALIA TO TEST THIS CAR?

A YES. THEY MENTIONED THAT THEY WERE LOOKING FOR SOMEBODY TO GO TO AUSTRALIA.

Q AND DO YOU KNOW WHETHER OR NOT YOUR SUPERIORS HAD A POSITION ON WHETHER OR NOT YOU SHOULD GO TO AUSTRALIA AT THIS TIME?

A I DIDN'T KNOW AT THAT TIME.

Q DID YOU FIND OUT LATER?

A I FOUND OUT LATER.

Q WHAT DID YOU TELL MR. MEADE AND MR. MCAFEE WHEN THEY ASKED YOU TO GO TO AUSTRALIA?

A WE TOLD MR. MEADE AND MR. MCAFEE THAT WE WOULD GO IF WE GOT ORDERS FROM THE UNITED STATES ARMY TO GO.

Q DID YOU TELL THEM WHERE THOSE ORDERS WOULD HAVE TO COME FROM? I MEAN THE ARMY IS A BIG PLACE. IS THERE ANYWHERE IN PARTICULAR THAT THEY WOULD HAVE TO COME FROM?

A WELL, THE INDICATION WAS THAT IF THE ORDERS CAME FROM THE SECRETARY OF THE ARMY, WE WOULD GO.

Q NOW, DO YOU RECALL THE DATE OF THIS MEETING, DR. MILLER?

A I BELIEVE IT WAS SEPTEMBER THE 30TH, 1981.

Q AT THE TIME OF THIS MEETING, DID YOU EVER DISCUSS WITH MR. MEADE OR MR. MCAFEE WHETHER OR NOT THIS HYDROGEN CAR WOULD WORK?

A I GAVE THEM MY IDEAS, AND I ALSO MADE SOME CALCULATIONS.

Q WHAT DID THOSE CALCULATIONS SHOW THEM?

A WELL, THE CALCULATIONS SHOWED THAT IF THEY TRULY

HAD MADE A HYDROGEN FUSION ENGINE, THAT THE DRIVER WOULD DIE IN LESS THAN A SECOND OF EXPOSURE TO NEUTRONS.

Q NOW, I KNOW MYSELF AND THE JURY -- WOULD THAT BE A FAIR STATEMENT, TO SAY THAT THEY WOULD DIE OF RADIATION FROM THE NUCLEAR RADIOACTIVITY FROM THE ENGINE?

A FROM THE -- YOU SEE, WHEN TWO HYDROGEN MOLECULES COMBINE, THEY GIVE OFF A NEUTRON, AND THESE NEUTRONS, IF THEY ARE INCIDENT ON THE FLESH, HUMAN FLESH, IT CAUSES DISTURBANCES WHICH WILL CAUSE ONE TO DIE IN A VERY SHORT TIME.

Q IS IT FAIR TO SAY YOU TOLD THEM IT WOULDN'T WORK?

A YES. WELL, I SAY I TOLD THEM THE PROBABILITY WAS VERY HIGH THAT IT WOULDN'T WORK. YOU KNOW, YOU DON'T JUST DISMISS SOMETHING RIGHT OFFHAND.

Q DID THERE COME A TIME A COUPLE OF WEEKS LATER WHEN YOU GOT A CALL FROM MR. MEADE?

A YES.

Q BETWEEN THE TIME OF THIS MEETING ON THE 30TH OF SEPTEMBER AND THE TIME YOU GOT A CALL FROM MR. MEADE, HAD YOU DISCUSSED WITH YOUR SUPERIORS WHETHER OR NOT YOU COULD GO TO AUSTRALIA?

A YES.

Q AND WHAT DID THEY TELL YOU?

A THEY TOLD US, "NO WAY."

Q WHEN MR. MEADE CALLED, WHAT DID HE HAVE TO SAY TO YOU?

A WELL, HE ASKED IF THERE WAS ANY POSSIBILITY THAT I COULD GO. AND I TOLD HIM AGAIN THAT I COULD GO ONLY IF I GOT ORDERS FROM THE ARMY.

Q DID HE MENTION ANYTHING ABOUT HIS EFFORTS IN THE PENTAGON AT THAT TIME?

A I DON'T BELIEVE I RECALL HIM SPECIFICALLY MENTIONING.

Q HE SAID NOTHING ABOUT HIS EFFORTS AT THE PENTAGON HAD BEEN UNSUCCESSFUL AT THAT POINT?

A WELL, I THINK YOU'RE RIGHT. I THINK HE DID MENTION THAT HE HAD BEEN IN CONTACT WITH PEOPLE AT THE PENTAGON AND IT LOOKS LIKE THAT THE ORDERS WOULD NOT BE COMING DOWN FROM THE PENTAGON.

Q DID HE MENTION THE NAME CONGRESSMAN HANSEN AT ALL TO YOU DURING THAT CONVERSATION?

A WELL, AT ONE TIME HE MENTIONED THAT -- MY INDICATION WAS THAT I COULDN'T PARTICIPATE IN ANY WAY. AND HE MENTIONED THAT HE WOULD HAVE CONGRESSMAN HANSEN TO GIVE ME A CALL.

Q DID HE SPECIFICALLY SAY "CONGRESSMAN HANSEN"?

A YES.

Q DID HE TELL YOU WHAT STATE THE CONGRESSMAN WAS FROM?

A I DON'T BELIEVE HE DID.

MR. COLE: I HAVE NO FURTHER QUESTIONS, YOUR HONOR.

THE COURT: CROSS-EXAMINATION?

CROSS-EXAMINATION

BY MR. LEWIN:

Q DR. MILLER, ULTIMATELY, DID YOU GIVE MR. MEADE THE

NAMES OF SOME OTHER SCIENTISTS WHO COULD GO TO AUSTRALIA?

A YES. I TOLD HIM THAT I COULDN'T PARTICIPATE, BUT I WOULD GIVE HIM SOME EXPERTS IN THIS FIELD.

Q AND WHO DID YOU NAME?

A I SUGGESTED DR. KRIEBEL AND DR. WILLIAMS AT AUBURN UNIVERSITY.

Q AND TO YOUR KNOWLEDGE, IS IT YOUR TESTIMONY THAT THEY ACTUALLY WENT TO AUSTRALIA?

A I KNOW THEY DID GO.

Q AND IS IT YOUR TESTIMONY THAT MR. MEADE FLEW THEM OVER TO AUSTRALIA?

A I HAVE NO IDEA. I KNOW THAT THEY GOT PAID FOR GOING. I HEARD DR. WILLIAMS SAY THAT THEY DID.

Q I SEE. DID YOU TELL THE FEDERAL BUREAU OF INVESTIGATION THAT THEY HAD BEEN FLOWN TO AUSTRALIA BY MR. MEADE?

A I'M NOT REALLY SURE.

Q WELL, IF I SHOW YOU WHAT PURPORTS TO BE A FEDERAL BUREAU OF INVESTIGATION REPORT OF AN INTERVIEW -- YOU WERE INTERVIEWED BY THE FEDERAL BUREAU OF INVESTIGATION ON JANUARY 24TH OF 1983, IN HUNTSVILLE?

A YES. WELL, AT SOME DATE. I CAN'T REMEMBER THE DATE.

Q RIGHT. AND IF I SHOW YOU ON PAGE 3, THAT PARAGRAPH, WOULD THAT REFRESH YOUR RECOLLECTION AS TO WHETHER YOU TOLD THEM THAT THESE GENTLEMEN HAD BEEN FLOWN TO AUSTRALIA BY MEADE?

A MEADE WAS INVOLVED IN IT. I'M NOT REALLY SURE WHO THE CHECK CAME FROM.

Q DID YOU TELL THE FBI THAT THEY HAD BEEN FLOWN BY MEADE?

A I'M SURE I DID, FROM THAT. I KNOW THEY WERE FLOWN THERE.

Q I SEE. DID YOU TELL THE FBI THAT MR. MEADE TOLD YOU THAT HE WAS GOING TO PUT $5 MILLION OF HIS OWN MONEY INTO THE PROJECT?

A HE TOLD ME THAT IF THE ARMY DECIDED THE PROJECT WAS FEASIBLE, HE WOULD.

Q AND DID YOU TELL THE FBI THAT MEADE TOLD YOU THAT HE WOULD CUT YOU IN ON ALL THE PROFITS FROM THE PROJECT?

A YES.

Q AND IS IT -- BY THE WAY, DID YOU TELL THE FBI THAT ALL THIS HAPPENED IN 1982?

A WELL, IT CERTAINLY DIDN'T HAPPEN IN 1982. IF I SAID 1982, I WAS MISTAKEN. IT WAS 1981.

Q ALL RIGHT. IF I SHOW YOU THE FBI REPORT, IT DOES --

A WAIT, NOW, JUST A MINUTE. WHEN THEY WENT TO AUSTRALIA?

Q YES.

A I'M PRETTY SURE THEY DIDN'T GO TO AUSTRALIA UNTIL 1982.

Q NO, I'M TALKING ABOUT WHEN YOU HAD THE MEETING WITH

MR. MEADE AND --

A YES. THAT SHOULD BE '81.

Q BUT YOU MAY HAVE TOLD THE FBI '82.

A I MIGHT HAVE.

Q YOU NEVER DID RECEIVE ANY CALL FROM CONGRESSMAN HANSEN, DID YOU?

A NO.

Q AND YOU HAVE NEVER TALKED WITH CONGRESSMAN HANSEN AT ALL.

A NO.

Q AND YOU DON'T KNOW WHETHER WHAT MR. MEADE TOLD YOU WHEN HE SAID, "WHAT WOULD YOU DO IF CONGRESSMAN HANSEN CALLED YOU," WHETHER THAT WAS TRUE OR NOT; WHETHER HE HAD ANY BASIS FOR THINKING CONGRESSMAN HANSEN WOULD CALL YOU.

A NO.

MR. LEWIN: ALL RIGHT.

THE COURT: ANYTHING FURTHER?

MR. COLE: JUST TWO QUICK QUESTIONS, YOUR HONOR.

REDIRECT EXAMINATION

BY MR. COLE:

Q YOU TALKED TO THOSE AUBURN SCIENTISTS AFTER THEY WENT TO AUSTRALIA, DIDN'T YOU?

A YES.

Q YOU KNOW THEM, DON'T YOU?

A YES.

Q WHAT DID THEY TELL YOU ABOUT THE HYDROGEN CAR?

A WELL, THEY SAID IT WAS A HOAX.

MR. COLE: THANKS VERY MUCH.

THE COURT: ANYTHING FURTHER?

YOU ARE EXCUSED, DR. MILLER. I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS COMPLETED.

THE WITNESS: THANK YOU. AM I THROUGH?

THE COURT: YES.

THE WITNESS: THANK YOU.

THE COURT: MR. COLE OR MR. WEINGARTEN?

MR. COLE: GOVERNMENT CALLS ROBERT NORWOOD.

THE COURT: WHILE THE WITNESS IS COMING IN, COULD I SEE COUNSEL AT THE BENCH, PLEASE, FOR A TIME ESTIMATE?

(AT THE BENCH)

THE COURT: AS YOU CAN TELL, THAT EXCITING DRONING SOUND HAS GONE OFF, WHICH SOMETIMES GIVE US A LITTLE AIR IN HERE. ABOUT HOW LONG DO YOU THINK MR. NORWOOD'S TESTIMONY WILL BE?

MR. WEINGARTEN: THE SAME AS THE LAST WITNESS.

MR. COLE: I THINK ABOUT TEN MINUTES FOR ME, AT THE MOST.

THE COURT: WILL THERE BE ANOTHER WITNESS FOLLOWING HIM, SIMILARLY BRIEF?

MR. COLE: HE WILL BE A BANK CUSTODIAN. I THINK

HE WILL BE BRIEF.

MR. WEINGARTEN: THIS IS THE BANKER FROM GRUNDY.

THE COURT: FROM WHEREVER. I JUST WANT TO MAKE SURE I CAN GET THEM OUT OF HERE -- THE JURY, THAT IS, BY ABOUT 7:00, 7:10. I DON'T WANT TO REALLY GO MUCH BEYOND 7:00. IT IS A LONGER DAY. FOR THE FIRST ONE, IN ANY EVENT, THEY ARE NOT LOOKING AT IT YET, BUT THEY MAY START LOOKING AT THE CLOCK. WE'VE GOT A HALF AN HOUR TO GO. I WOULD LIKE TO GET AS MUCH ACCOMPLISHED IN A HALF HOUR AS WE CAN, BUT NOT REALLY GO TOO MUCH BEYOND.

WITNESS 1, PRESUMABLY, WE CAN EASILY COMPLETE. THE OTHER ONE, WE MAY HAVE TO START AND STOP IN THE MIDDLE OF IT. WE WILL START TOMORROW AT 10:00, AND WE WILL BE GOING TILL ABOUT 7:00 TOMORROW. ALL RIGHT? SO JUST CLUE ME IF WE ARE VERY CLOSE TO THE END, AND MR. LEWIN CAN LET ME KNOW, ALSO, IF HE BELIEVES HIS EXAMINATION WILL BE VERY SHORT OR PROTRACTED; THEN I WILL HAVE AN IDEA WHAT TO DO.

THANK YOU. ALL RIGHT.

(END OF BENCH CONFERENCE)

ROBERT LEE NORWOOD

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD EVENING, MR. NORWOOD.

THE WITNESS: GOOD EVENING.

DIRECT EXAMINATION

BY MR. COLE:

Q IT'S DR. NORWOOD, IS THAT CORRECT?

A THAT'S CORRECT.

THE COURT: I BEG YOUR PARDON.

BY MR. COLE:

Q DR. NORWOOD, COULD YOU PLEASE STATE YOUR FULL NAME AND SPELL YOUR LAST NAME FOR THE RECORD?

A ROBERT LEE NORWOOD, N-O-R-W-O-O-D.

Q WHAT KIND OF DOCTOR ARE YOU, SIR?

A I HAVE A PH.D. IN THEORETICAL AND APPLIED MECHANICS.

Q WHERE DO YOU WORK?

A IN THE OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY FOR RESEARCH, DEVELOPMENT AND ACQUISITION.

Q AND WHERE IS THAT LOCATED?

A IN THE PENTAGON.

Q HOW LONG HAVE YOU BEEN WITH THE PENTAGON, DR. NORWOOD?

A SINCE OCTOBER OF 1979.

Q AND YOU HAVE BEEN IN THE CAPACITY OF WHAT? WHAT IS YOUR JOB THERE?

A I AM THE DEPUTY FOR AIR AND MISSILE DEFENSE.

Q IN YOUR CAPACITY AS AN EMPLOYEE OF THE PENTAGON, HAVE YOU EVER COME IN CONTACT WITH A GENTLEMAN BY THE NAME OF JOHN MEADE?

A I TALKED TO HIM ON THE PHONE.

Q AND WAS IT CONCERNING A PROJECT MR. MEADE WAS INTERESTED IN?

A YES.

Q WOULD YOU TELL THE JURY WHAT THAT PROJECT WAS?

A IT WAS A PROJECT THAT HAD TO DO WITH A THERMONUCLEAR CAR.

Q IS IT FAIR TO SAY, IN LAYMAN'S TERMS FOR THOSE OF US WHO DON'T UNDERSTOOD TOO MUCH ABOUT SCIENCE, IT WAS A CAR THAT RAN ON WATER? WAS THAT THE THEORY?

A WELL, YES. IT SORT OF USED A FUSION PRINCIPLE, PRINCIPLE OF FUSION REACTION, AND WATER WAS THE MEDIUM.

Q NOW, FUSION REACTION, IS THAT KIND OF A RADIOACTIVE TYPE OF -- NUCLEAR TYPE OF REACTION, SOMETHING LIKE THAT?

A YES. IT CAN BE DESCRIBED THAT WAY.

Q DO YOU RECALL WHEN YOU FIRST TALKED TO JOHN MEADE?

A SOMETIME IN AUGUST. I HAVE FORGOTTEN THE EXACT DATE. I HAVE SOME NOTES. I COULD GET AN APPROXIMATE DATE.

Q IS EARLY AUGUST -- DOES THAT SOUND ABOUT RIGHT?

A YEAH. EARLY TO MID-AUGUST. SOMEWHERE IN THAT TIME FRAME.

Q DO YOU REMEMBER THE NATURE OF YOUR CONTACT WITH MR. MEADE?

A YES.

Q COULD YOU TELL US WHAT YOU TALKED ABOUT WITH HIM?

A YES. HE WAS INTERESTED IN HAVING THE ARMY SUPPLY

ASSETS, PEOPLE AS WELL AS EQUIPMENT, TO EVALUATE THIS THERMONUCLEAR CAR THAT WAS IN AUSTRALIA.

Q AND WHO DID HE WANT TO PAY FOR THIS?

A WELL, ORIGINALLY I GUESS HE WANTED THE ARMY TO SEND THESE PEOPLE AND THE EQUIPMENT. BUT I GUESS HE WOULD BE WILLING TO PAY FOR IT HIMSELF. HE JUST WANTED THOSE ARMY ENGINEERS OR SCIENTISTS AND EQUIPMENT TO GO AND DO AN EVALUATION.

Q WERE THOSE SPECIFIC PEOPLE THAT HE WANTED FROM THE ARMY, OR JUST GENERAL PEOPLE FROM THE ARMY?

A WELL, IT WAS MY UNDERSTANDING IT WAS ALWAYS JUST THREE PEOPLE.

Q THREE SPECIFIC PEOPLE?

A YES.

Q WERE YOU AWARE OF WHETHER OR NOT MR. MEADE KNEW THOSE PEOPLE BEFOREHAND, OR KNEW OF THEM BEFOREHAND?

A IT WAS MY IMPRESSION THAT HE DID. KNEW THE NAMES, ANYWAY.

Q WHERE DID HE WANT THESE PEOPLE TO GO?

A AUSTRALIA, SOMEWHERE. QUEENSLAND, OR SOMETHING LIKE THAT.

Q DID MR. MEADE EXPLAIN TO YOU IN ANY WAY HIS INTEREST IN THE HYDROGEN CAR?

A YES. IN REFERENCE, HE SAID THAT HE HAD AN INTEREST OR U. S. RIGHTS OR SOMETHING LIKE THAT TO THIS CAR, OR DEVICE.

Q DID HE EXPLAIN HOW MUCH MONEY THIS MIGHT MEAN TO HIM?

A NO.

Q DID HE TELL YOU AT ALL THAT HE MIGHT BE ABLE TO GET RICH OFF OF IT IF IT WORKED?

A NO.

Q IN RESPONSE TO MR. MEADE'S REQUEST, WHAT DID YOU TELL HIM?

A I TOLD HIM IT WAS NOT, IN MY ESTIMATION, AN ARMY MISSION. THAT I HAD BEEN AWARE OF THE REQUEST PREVIOUSLY AND I DID SOME BACKGROUND WORK, AND AS A MATTER OF FACT, I CALLED THE DEPARTMENT OF ENERGY AND GOT THE NAME OF SOME -- AN OFFICE FOR HIM TO CONTACT. AND WHEN HE TALKED TO ME ON THE PHONE, I GAVE HIM THAT NAME AND PHONE NUMBER IN DOE.

Q DID YOU TELL HIM THERE WAS A DOE PROJECT OR A DEPARTMENT OF ENERGY PROJECT AT THE TIME?

A I TOLD HIM THAT WOULD BE THE LOGICAL PLACE TO GO; THAT IN FACT, SENDING ARMY PEOPLE AND EQUIPMENT TO AUSTRALIA TO GIVE AN ASSESSMENT OF A COMMERCIAL VENTURE OR A THERMONUCLEAR CAR WAS NOT AN ARMY MISSION. AND THAT IF IN FACT THE ARMY WOULD DO SOMETHING LIKE THAT, THERE WERE PROCEDURES TO FOLLOW THAT WERE NOT BEING FOLLOWED. THERE IS A PROCEDURE TO HAVE THE ARMY EVALUATE A PRODUCT.

Q MR. MEADE WASN'T FOLLOWING THESE PROCEDURES?

A AS FAR AS I KNOW, HE DID NOT. AFTER I GAVE HIM THAT

INFORMATION, SOMETIME LATER I CHECKED WITH DOE, AND THEY DIDN'T HAVE ANY RECORD OF MR. MEADE CALLING.

Q HE, TO YOUR KNOWLEDGE, NEVER CALLED THE DEPARTMENT OF ENERGY?

A AS FAR AS I KNOW, HE DID NOT. AT LEAST THE OFFICE THAT I GAVE HIM.

Q DID YOU TALK TO MR. MEADE AT ALL ABOUT THE PERSONNEL THAT HE WANTED SENT, THE SPECIFIC PEOPLE FROM THE ARMY THAT HE WANTED SENT?

A I DON'T REMEMBER THAT I DID.

Q DO YOU KNOW IF YOU TOLD MR. MEADE THOSE WEREN'T NECESSARILY THE PEOPLE THAT YOU WOULD SEND IF YOU WERE GOING TO LOOK INTO THE PROJECT?

A I DON'T KNOW IF I SAID THOSE WORDS. BY INFERENCE -- IF I SAID -- WELL, I DID SAY THAT IT WASN'T AN ARMY MISSION. THAT WOULD IMPLY THAT THOSE PEOPLE, YOU KNOW, WOULD NOT HAVE BEEN THE ONES TO DO IT, IF IN FACT THE ARMY HAD BEEN INVOLVED IN IT AT ALL.

Q FOLLOWING THIS CONTACT WITH MR. MEADE, DID YOU EVER HAVE CONTACT WITH CONGRESSMAN HANSEN?

A TALKED TO HIM ON THE PHONE ONCE.

Q DO YOU RECALL ABOUT WHEN THAT WAS?

A 15 OCTOBER.

Q 1981?

A YES.

Q WHO MADE THE CALL?

A WELL, HE CALLED THE SECRETARIAT AND THE CALL WAS TRANSFERRED TO ME, BECAUSE I HAD BEEN HANDLING THAT ISSUE FOR THE SECRETARY.

Q DO YOU RECALL WHAT CONGRESSMAN HANSEN HAD TO SAY DURING THAT CALL?

A YEAH, IN GENERAL. HE WANTED THE ARMY TO DECIDE WHETHER OR NOT THEY WERE GOING TO ALLOW THE ENGINEERS TO DO THIS EVALUATION, AND THAT HE WANTED TO HAVE THE ARMY AGREE TO HAVE ENGINEERS DO IT, AND THE EQUIPMENT.

Q HOW WAS HIS TONE IN THIS CALL? WAS HE MILD ABOUT IT?

A WELL, HE WAS FORCEFUL IN GETTING HIS POINT ACROSS.

Q AND HE SPECIFICALLY WANTED THE ARMY TO SEND THESE PEOPLE TO AUSTRALIA, AND THE EQUIPMENT?

A WELL, HE WANTED THE ARMY TO -- THAT WAS MY IMPRESSION, YEAH; TO SEND ARMY EQUIPMENT AND PEOPLE TO -- OR ALLOW THEM TO BE SENT, AT LEAST, AND DO AN EVALUATION.

Q NOW, THIS WAS CONCERNING THE SAME CAR THAT YOU SPOKE TO MR. MEADE ABOUT?

A YES.

Q MOVING NOW TO -- WELL, WHAT DID YOU TELL CONGRESSMAN HANSEN DURING THIS MEETING?

A WELL, I TRIED TO RELAY THE POINT THAT IT WASN'T AN ARMY MISSION AND THAT THE ARMY REALLY SHOULDN'T BE INVOLVED

IN THAT TYPE OF VENTURE.

Q DID YOU TELL HIM ABOUT THE DEPARTMENT OF ENERGY?

A NO.

Q DID YOU TELL HIM ABOUT ARMY PROCEDURES THAT SHOULD BE FOLLOWED?

A I MAY HAVE. I DON'T RECALL SAYING THOSE EXACT WORDS: THAT THERE ARE OTHER PROCEDURES TO FOLLOW. I DO KNOW THAT I TRIED TO GET THE POINT ACROSS THAT IT WASN'T AN ARMY JOB TO DO THAT.

Q GOING TO A LATER TIME, NOVEMBER OF THAT SAME YEAR, WERE YOU PRESENT WHEN ANOTHER CALL CAME IN FROM CONGRESSMAN HANSEN?

A YES.

Q AND WHO DID THAT CALL COME IN TO?

A WELL, I THINK IT WAS IN RESPONSE TO A CALL THAT HAD BEEN MADE PREVIOUSLY, AND MRS. HOEVER, THE SECRETARIAT, RETURNED THE CALL TO CONGRESSMAN HANSEN.

Q YOU WERE PRESENT WHEN THIS CALL WAS RETURNED?

A THAT'S CORRECT.

Q DID IT CONCERN THE HYDROGEN CAR?

A YES.

Q AND THE DATE OF THIS CALL?

A I THINK IT WAS THE 23RD OF NOVEMBER.

Q 1981?

A YES.

MR. COLE: THANK YOU, DR. NORWOOD.

THE COURT: CROSS-EXAMINATION. MORE TO COME.

CROSS-EXAMINATION

BY MR. LEWIN:

Q SORRY, DR. NORWOOD.

NOW, I THINK YOU SAID IN ANSWER TO MR. COLE'S QUESTIONS THAT YOU RECEIVED A PHONE CALL FROM CONGRESSMAN HANSEN ON THE 15TH OF OCTOBER, 1981; IS THAT CORRECT?

A YEAH. I SAID THE OFFICE RECEIVED A CALL, AND THE CALL WAS REFERRED TO ME.

Q ALL RIGHT. BEFORE THAT, YOU HAD HAD A NUMBER OF TELEPHONE CONVERSATIONS WITH MR. MEADE; IS THAT CORRECT?

A I HAD ONE THAT I CAN RECALL. THERE MAY HAVE BEEN ONE OTHER ONE, BUT I KNOW THERE WAS ONE.

Q YOU SAY YOU ONLY HAD ONE?

A I SAID I KNOW THAT I HAD ONE. NOW, THERE MAY HAVE BEEN ANOTHER SHORT ONE; I DON'T KNOW. BUT I KNOW THERE WAS ONE WHERE I DID TELL HIM ABOUT THE -- THAT IT WASN'T AN ARMY MISSION, AND I GAVE HIM THE ADDRESSES AND NAMES AND PHONE NUMBERS IN THE DEPARTMENT OF ENERGY.

Q WELL, WEREN'T THERE IN FACT A TOTAL OF THREE CONVERSATIONS THAT YOU HAD WITH MR. MEADE? TELEPHONE CONVERSATIONS?

A I DON'T RECALL THAT MANY, BUT I KNOW THAT THERE WAS AT LEAST ONE. THERE MAY HAVE BEEN OTHER SHORT ONES.

THERE MAY HAVE BEEN ONE JUST IN THE BEGINNING TO JUST OPEN UP THE ISSUE. BUT I KNOW THERE WAS ONE.

Q WE'RE TALKING ABOUT AUGUST OF 1981.

A YES. THAT'S CORRECT.

Q DO YOU RECALL TELLING -- AN AGENT OF THE FEDERAL BUREAU OF INVESTIGATION CAME TO INTERVIEW YOU ABOUT THIS; IS THAT CORRECT?

A YES, THAT'S RIGHT.

Q AND DO YOU RECALL TELLING HIM AFTER THE FIRST CALL THAT YOU RECALLED AT LEAST TWO MORE TIMES SPEAKING WITH MR. MEADE AFTER THIS INITIAL CONVERSATION?

A NO, BUT IT COULD BE POSSIBLE.

Q WELL, LET ME SHOW YOU THE REPORT OF THE AGENT, SPECIFICALLY RIGHT THERE.

A OH, O.K.

Q DOES THAT REFRESH YOUR RECOLLECTION THAT THERE WERE IN FACT THREE TELEPHONE CONVERSATIONS, AT LEAST? YOU SAID, "AT LEAST TWO OTHER CONVERSATIONS WITH MR. MEADE."

A WELL, THERE MAY HAVE BEEN. AT THE TIME, I WAS LOOKING THROUGH MY NOTES THAT I HAD. AND THE ONE I RECALL RIGHT NOW IS THE ONE WHERE I GAVE HIM THE INFORMATION ABOUT DEPARTMENT OF ENERGY. THERE COULD HAVE BEEN OTHERS AFTERWARDS WHERE --

Q HOW DO YOU KNOW THE SPECIFIC DATES SO WELL, DR. NORWOOD?

A I DON'T KNOW THE DATE OF THE MEADE CALL. I SAID IT WAS SOMEWHERE ABOUT AUGUST OF '81.

Q DIDN'T YOU TELL THE AGENT OF THE FEDERAL BUREAU OF INVESTIGATION THAT ON AUGUST 4, 1981, YOU RECEIVED A TELEPHONE CALL FROM MR. MEADE?

A WELL, MAY HAVE. I CAN CHECK MY NOTES HERE.

Q OH, YOU DO HAVE NOTES WITH YOU, RIGHT?

A SURE.

Q O.K. COULD I SEE THOSE NOTES, PLEASE?

A YES. RIGHT HERE. IT'S AUGUST 4TH.

Q SO IT WAS THE 4TH OF AUGUST, 1981?

A YEAH.

Q ALL RIGHT. AND THEN YOU HAVE A NOTE OF YOUR OTHER CONVERSATIONS WITH MR. MEADE?

A NO, I DON'T.

Q YOU DON'T.

A I DON'T HAVE A DATE.

Q I SEE. THESE ARE THE NOTES OF THESE CONVERSATIONS? THE TELEPHONE CONVERSATIONS?

A YEAH, SOME OF THEM.

Q DR. NORWOOD, IT'S A FACT, IS IT NOT, THAT IN THESE THREE TELEPHONE CONVERSATIONS WITH MR. MEADE, CONGRESSMAN HANSEN'S NAME WAS NOT MENTIONED AT ALL?

A I DON'T RECALL THAT IT WAS.

Q DO YOU RECALL THAT YOU SPECIFICALLY TOLD --

THE COURT: MR. LEWIN, EXCUSE ME, SIR. IF YOU WOULDN'T MIND GIVING THE WITNESS BACK THE NOTES FOR THE MOMENT, AND WE WILL SEE WHAT HAPPENS THEREAFTER.

MR. LEWIN: ALL RIGHT.

BY MR. LEWIN:

Q DO YOU HAVE IN HERE A NOTE REGARDING THE TELEPHONE CONVERSATION YOU HAD WITH CONGRESSMAN HANSEN?

A I DON'T THINK SO. LET ME LOOK.

NO, I DON'T.

Q BUT YOU ARE ABLE TO SPECIFY THE DATE FOR THAT CONVERSATION WITH CONGRESSMAN HANSEN WITH GREAT DETAIL.

A YES.

Q AND HOW ARE YOU ABLE TO DO THAT?

A BECAUSE THE EVENING OF THE CALL, I WAS TAKING A TRIP TO AN ARMY INSTALLATION, AND THAT CALL CAME JUST BEFORE I WAS GETTING READY TO LEAVE, AND WE HAD TO SLIGHTLY DELAY OUR DEPARTURE BECAUSE OF THAT. AND I WENT BACK AND CHECKED THE PHONE LOGS, AND THAT'S THE TIME WHEN THAT TRIP WAS.

Q I SEE. BUT YOU DON'T HAVE A MEMORANDUM OF EXACTLY WHAT YOU SAID AND WHAT CONGRESSMAN HANSEN SAID OR REFLECTING YOUR NOTES OF WHAT HAPPENED AT THAT TIME.

A NO, I DON'T, BECAUSE RIGHT AFTER THE CONVERSATION WAS OVER, WE LEFT, GOT ON THE AIRPLANE.

Q IN TERMS OF YOUR DIRECT TESTIMONY, I BELIEVE YOU FIRST SAID IN ANSWER TO MR. COLE'S QUESTION -- I WROTE IT

DOWN -- THAT HE WAS TRANSFERRED TO YOU AND, IN GENERAL, CONGRESSMAN HANSEN WANTED THE ARMY TO DECIDE WHETHER OR NOT TO ALLOW ENGINEERS TO DO THE EVALUATION.

A I SAID -- THAT WAS PART OF IT, YES.

Q THAT WAS PART OF IT. BUT THAT WAS THE CONVERSATION: HE WANTED YOU TO DECIDE WHETHER OR NOT TO ALLOW THE ENGINEERS TO DO THE EVALUATION.

A YES. AND THE OTHER HALF, WHAT I BELIEVE I SAID, WAS THAT IT WAS MY IMPRESSION THAT HE WANTED THE ANSWER IN THE AFFIRMATIVE.

Q THAT WAS YOUR IMPRESSION.

A YES.

Q BUT WHAT YOU DO RECALL IS HE WANTED AN ANSWER. HE WANTED YOU TO DECIDE WHETHER OR NOT TO DO IT.

A I RECALL THEM BOTH.

Q YOU RECALL THEM BOTH.

AND WITH REGARD TO THE OTHER CONVERSATION -- AND YOU TOLD HIM THAT -- I'M SORRY.

WITH REGARD TO THAT QUESTION, YOU TOLD HIM YOU THOUGHT IT WAS NOT AN ARMY FUNCTION.

A I TRIED TO GET THAT POINT ACROSS.

Q O.K. AND THAT WAS CONSISTENT WITH THE POSITION YOU HAD BEEN TAKING THERETOFORE WITH MR. MEADE IN THESE VARIOUS CONVERSATIONS.

A ABSOLUTELY.

Q AND WITH EVERYBODY ELSE WHOM YOU WERE TALKING TO.

A ABSOLUTELY.

Q AND CONGRESSMAN HANSEN DIDN'T THREATEN ANYTHING TO YOU IN THAT CONVERSATION.

A NOPE.

Q YOU JUST SIMPLY TOLD HIM IT WAS NOT AN ARMY FUNCTION; HE SAID "THANK YOU", AND HE HUNG UP.

A WELL, I DON'T KNOW IF IT WAS THAT SIMPLE.

Q I UNDERSTAND.

A THE CONVERSATION WENT ON FOR A FEW MINUTES, AND FINALLY -- LET ME SEE. WE HAD TO LEAVE, SO I HAD TO END THE CONVERSATION. AND I THINK SOMEONE ELSE IN THE OFFICE MAY HAVE TALKED WITH HIM JUST TO FINISH UP THE CONVERSATION.

Q SO YOU SAID, "I'VE GOT TO LEAVE; I'M SORRY, CONGRESSMAN, I'VE GOT TO LEAVE BECAUSE I'M GOING OUT OF TOWN."

A YEP.

Q AND YOU GAVE THE PHONE OVER TO SOMEBODY ELSE, AND THEY FINISHED THE CONVERSATION.

A WELL, NO. THAT CONVERSATION ENDED -- I THINK THAT CONVERSATION ENDED AND SOMEONE ELSE MAY HAVE CALLED HIM BACK JUST TO LET HIM KNOW THAT WE WOULD GET BACK TO HIM THE NEXT DAY WHEN WE GOT BACK IN TOWN.

Q I SEE. BUT YOU DIDN'T IN FACT TALK TO CONGRESSMAN HANSEN EVER AGAIN.

A NO, I DID NOT.

Q O.K. AND THE ONLY OTHER TIME THAT YOU TESTIFIED THAT YOU KNOW OF ANY TELEPHONE CONVERSATION WHATEVER WAS A CONVERSATION YOU SAY WHICH A MRS. HOEVER --

A YES.

Q H-O-E-V-E-R?

A THAT'S CORRECT.

Q -- CALLED THE CONGRESSMAN BACK IN YOUR PRESENCE?

A WELL, THERE WERE THREE THAT I CAN REMEMBER.

Q I JUST WANT TO KNOW CONVERSATION THAT YOU -- YES, THAT YOU WERE PRESENT AT.

A YES.

Q AND YOU SAY THERE WAS A CONVERSATION --

A THREE, YES.

Q O.K.

A THE ONE WHEN I TALKED TO HIM ON THE PHONE, ON THE FOLLOWING DAY WHEN HE WAS CALLED BACK, AND THEN ON THE 23RD OF NOVEMBER.

Q AND THE FOLLOWING DAY, WHEN HE WAS CALLED BACK, HE WAS TOLD WHAT?

A THAT IT WAS NOT AN ARMY MISSION.

Q AND YOU TOLD HIM THAT?

A NO. MRS. HOEVER TOLD HIM THAT.

Q YOU WEREN'T PRESENT AT THAT TIME.

A I WAS PRESENT IN THE ROOM.

Q YOU WERE PRESENT THE NEXT DAY?

A I WAS. THAT'S CORRECT.

Q AND MRS. HOEVER TOLD HIM AGAIN WHAT YOU HAD TOLD HIM IN THE PRIOR --

A IN GENERAL, YES. THAT IT WASN'T AN ARMY MISSION; THAT THERE WERE OTHER PROCEDURES TO BE FOLLOWED IF IN FACT THE ARMY WERE TO GET INVOLVED. IT WAS A DOE MISSION PRIMARILY. YOU KNOW, THOSE TYPES OF THINGS.

Q O.K. AND THAT FINISHED IT FOR THAT DAY.

A THAT'S CORRECT.

Q AND THEN THE NEXT TIME WAS WHEN THEREAFTER?

A WELL, I HAVE RECORDS THAT IT WAS ON 23 NOVEMBER. SO THAT'S WHEN I THINK THE NEXT ONE WAS. 23 NOVEMBER.

Q DO YOU HAVE A MEMORANDUM OF THAT CONVERSATION?

A NO. WE CHECKED THE PHONE LOGS. THE OFFICE PHONE LOGS.

Q AND AGAIN, YOU WERE PRESENT WHEN MRS. HOEVER MADE THAT CALL.

A THAT'S CORRECT.

Q AND IT WAS MADE IN HER OFFICE?

A YES.

Q AND THAT WAS A CALL THAT SHE PLACED BACK TO CONGRESSMAN HANSEN?

A THAT'S CORRECT.

Q DID YOU EXPLAIN TO THE AGENT OF THE FBI THAT YOU WERE PRESENT AT THOSE CONVERSATIONS?

A I THOUGHT I DID.

Q PARDON?

A I THOUGHT I DID.

Q THAT'S JUST A COPY OF HIS REPORT. THAT DOESN'T SPECIFICALLY INDICATE THAT, DOES IT, DR. NORWOOD?

A I DON'T KNOW. LET ME SEE.

Q BUT YOU THINK YOU DID TELL THE AGENT OF THE FBI THAT YOU WERE PRESENT WHEN MRS. HOEVER MADE THOSE CALLS?

A I DON'T REMEMBER IF I TOLD HIM THAT OR NOT. BUT I WAS THERE.

Q O.K. DID, TO YOUR KNOWLEDGE, CONGRESSMAN HANSEN TELL EITHER YOU OR MRS. HOEVER THAT WHAT HE WAS CONCERNED WITH WAS THAT UNDUE PRESSURE MAY HAVE BEEN PUT ON THE EMPLOYEES OF THE REDSTONE ARSENAL TO KEEP THEM FROM GOING TO AUSTRALIA?

A ON 23 NOVEMBER, I UNDERSTOOD THAT THAT WAS ONE OF THE ISSUES OF THE CONVERSATION. PERHAPS THE MAIN ISSUE OF THE CONVERSATION.

Q THE MAIN ISSUE OF THE CONVERSATION WAS THAT CONGRESSMAN HANSEN WAS SAYING TO YOUR OFFICE THAT HE WAS CONCERNED THAT THE INDIVIDUAL SCIENTISTS AT THE REDSTONE ARSENAL HAD BEEN UNDULY PRESSURED SO THAT THEY HAD NO PERSONAL CHOICE AS TO WHETHER OR NOT TO GO TO AUSTRALIA.

A YES.

Q AND YOUR RESPONSE TO THAT WAS WHAT?

A WE -- AS I RECALL, MRS. HOEVER SAID SHE WOULD LOOK

INTO IT.

Q DID YOU IN FACT LOOK INTO IT?

A YES.

Q DID YOU EVER REPORT BACK TO CONGRESSMAN HANSEN?

A I REPORTED BACK TO MRS. HOEVER.

Q DO YOU KNOW WHETHER MRS. HOEVER EVER REPORTED BACK TO CONGRESSMAN HANSEN?

A I'M NOT SURE.

MR. LEWIN: THANK YOU.

MR. COLE: JUST TWO QUICK QUESTIONS ON REDIRECT, YOUR HONOR.

REDIRECT EXAMINATION

BY MR. COLE:

Q THE CALL ON NOVEMBER 23RD THAT MRS. HOEVER MADE, WAS THAT IN RESPONSE TO A CALL THAT CONGRESSMAN HANSEN MADE ON THAT DAY?

A I THINK SO. WELL, NO; I DON'T KNOW ABOUT ON THAT DAY. BUT IT WAS IN RESPONSE TO A CALL THAT HAD BEEN MADE. I DON'T KNOW ABOUT -- IF THAT CALL WAS ON THE 23RD OR BEFORE OR WHATEVER.

Q YOU DON'T RECALL AT THIS POINT WHEN THAT CALL WAS MADE BY CONGRESSMAN HANSEN?

A NO, I DON'T. THE PHONE LOGS MAY INDICATE THAT, BUT RIGHT NOW I JUST DON'T KNOW.

Q WERE YOU EVER TOLD ABOUT THIS HYDROGEN CAR, AS FAR

AS HOW IT WAS SUPPOSED TO WORK OR WHAT THE THEORY WAS BEHIND IT?

A IN GENERAL, YES. IT WAS SUPPOSED TO BE A FUSION DEVICE, A FUSION ENGINE THAT DISASSOCIATED WATER INTO ITS COMPONENTS, AND THAT THOSE COMPONENTS, WHEN RECOMBINED IN THE FUEL CELL, GENERATED ELECTRICITY OR FUEL. IT WAS SORT OF A THERMONUCLEAR DEVICE; YOU ADDED WATER, AND OFF YOU WENT.

Q FROM YOUR EXPERIENCE AS A PH.D., WOULD IT WORK?

A I DIDN'T THINK IT HAD MUCH TECHNICAL FOUNDATION.

MR. COLE: THANK YOU.

THE COURT: MR. LEWIN, ANYTHING FURTHER?

MR. LEWIN: NO.

THE COURT: THANK YOU FOR YOUR TESTIMONY, DR. NORWOOD YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS IT WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS COMPLETED.

THE WITNESS: O.K.

MR. COLE: YOUR HONOR, THIS MIGHT BE A GOOD PLACE TO BREAK.

THE COURT: I WAS GOING TO SAY, IT'S FIVE MINUTES OF 7:00. AND IF WE ARE GOING TO START ANOTHER WITNESS AND CANNOT COMPLETE THAT WITNESS IN THE NEXT FIVE MINUTES OR SO, IT IS TIME FOR US TO BE DOWN FOR THE EVENING.

LADIES AND GENTLEMEN OF THE JURY, WE HAVE COMPLETED THE FIRST OF OUR 7:00 P.M. MARATHONS, AND -- THOUGH I SEE YOU

ARE STILL SMILING AND SEEMING IN GOOD SPIRIT, AND FOR THAT WE THANK YOU. WE WILL HAVE YOU BACK HERE AT 10:00 O'CLOCK TOMORROW MORNING FOR THE RESUMPTION OF THE TESTIMONY. AGAIN, WE ANTICIPATE, UNLESS SOMETHING UNUSUAL HAPPENS IN THE COURSE OF OUR ACTIVITIES OR OUR OTHER ACTIVITIES, THAT WE WILL BE SITTING UNTIL ABOUT 7:00 TOMORROW EVENING, ALSO. SO, FOR THAT PURPOSE, WHATEVER YOU NEEDED TO FORTIFY YOURSELVES TODAY, DO AT LEAST THE SAME TOMORROW OR MORE SO, WHATEVER THAT MIGHT BE.

HAVE A VERY GOOD EVENING. PLEASE REMEMBER THE CONTINUING ADMONITION NOT TO DISCUSS THE CASE WITH ANYONE. HAVE A GOOD EVENING.

AND IF COUNSEL WILL WAIT JUST ONE MOMENT AFTER THE JURY HAS LEFT.

(THE JURY WAS EXCUSED FOR THE EVENING AT 6:55 P.M.)

THE COURT: ALL RIGHT. AS TO TOMORROW, 10:00 O'CLOCK TOMORROW MORNING. ONE OR TWO CUSTODIANS?

MR. WEINGARTEN: YES. WE WILL REST BY 10:30.

MR. COLE: 11:00, AT THE OUTSIDE.

THE COURT: OPTIMISM REIGNS AT 7:00 O'CLOCK AT NIGHT. YOU ARE JUST AS EAGER TO GET OUT OF HERE AS THOSE JURORS WERE, RIGHT? ALL RIGHT.

ALL RIGHT. EARLY TOMORROW, SHORTLY AFTER WE BEGIN, WE SHOULD BE COMPLETED, AND THEN YOU HAVE SOME EXHIBITS. IS THAT RIGHT, MR. WEINGARTEN? OR YOU HAVE SOME DISCUSSION OF

POTENTIAL EXHIBITS FROM THE DEFENSE.

MR. WEINGARTEN: RIGHT.

THE COURT: I REMEMBER SOMETHING ABOUT EXHIBITS. ALL RIGHT.

SO, MR. LEWIN IS ON NOTICE TO HAVE WITNESSES READY.

MR. LEWIN: YES, YOUR HONOR.

THE COURT: OUT YONDER, OR WHEREVER, SO THAT WE CAN KEEP MOVING UNTIL 7:00 O'CLOCK TOMORROW NIGHT. RIGHT?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: HAVE A GOOD EVENING, ALL.

(WHEREUPON, AT 6:57 P.M., THE TRIAL WAS ADJOURNED, TO RECONVENE AT 10:00 A.M., TUESDAY, MARCH 27, 1984.)

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

SHIRLEY POPEJOY
OFFICIAL REPORTER

MINDI COLCHICO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - x

UNITED STATES OF AMERICA :
VS. :
GEORGE VERNON HANSEN, :
DEFENDANT :

- - - - - - - - - - - - - - - - - - x

CRIMINAL ACTION
NO. 83-75

VOLUME NO. 7

WASHINGTON, D. C.

TUESDAY, MARCH 27, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 10:00 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX

WITNESS	DIRECT	CROSS	REDIRECT	RECROSS
JACKSON E. REASOR, JR.	872	887	896	897
IVAN IRWIN, JR.	930	966	977	
KENNETH A. CARUSO	992	1000	1002	
JOHN L. RUNFT	1008	1101	1155	1161

EXHIBIT	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
56-A AND 56-B		874
63	879	880
8-C		899
14 AND 16		901
64	1116	1118
65	1132	
75, 76 AND 77		1135
DEFENDANT'S		
23	889	890
24	894	895
72		966
30		1020
32		1025
34		1041
35		1047
74		1052

EXHIBITS (CONTINUED)	FOR IDENTIFICATION	IN EVIDENCE
DEFENDANT'S		
36		1057
37		1059
40		1071
75, 76 AND 77		1072
73		1078
39		1082
1		1110
79 AND 80	1158	

PROCEEDINGS

THE COURT: YES.

MR. WEINGARTEN: MAY WE APPROACH THE BENCH, PLEASE?

THE COURT: SURELY.

(AT THE BENCH)

MR. WEINGARTEN: THIS IS A PERSONAL MATTER. IT DOESN'T HAVE TO BE ON THE RECORD.

THE COURT: A PERSONAL MATTER. ALL RIGHT.

(DISCUSSION OFF THE RECORD.)

(IN OPEN COURT)

THE COURT: ALL RIGHT. ARE WE READY FOR THE JURY, THEN?

MR. COLE: YES, YOUR HONOR.

THE COURT: ALL RIGHT.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: ALL RIGHT. MR. COLE, IS IT?

MR. COLE: YES. GOVERNMENT'S NEXT WITNESS IS JACKSON REASOR.

JACKSON E. REASOR, JR.

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING, MR. REASOR.

THE WITNESS: GOOD MORNING.

DIRECT EXAMINATION

BY MR. COLE:

Q MR. REASOR, WOULD YOU PLEASE STATE YOUR FULL NAME, AND SPELL YOUR LAST NAME FOR THE COURT REPORTER?

A JACKSON EDWIN REASOR, JR. MY LAST NAME IS R-E-A-S-O-R.

Q MR. REASOR, HOW ARE YOU EMPLOYED?

A I AM EMPLOYED AS A TRUST OFFICER AT A BANK IN BLUEFIELD, WEST VIRGINIA, AT THE PRESENT TIME.

Q THE NAME OF THAT BANK, SIR?

A FLATTOP NATIONAL BANK OF BLUEFIELD.

Q PRIOR TO BEING A TRUST OFFICER AT THE FLATTOP NATIONAL BANK, DID YOU HAVE ANOTHER JOB AT A BANK?

A YES, I DID. I WAS EMPLOYED AT MINERS AND MERCHANTS BANK IN GRUNDY, VIRGINIA.

Q AND YOUR POSITION IN THAT BANK?

A ORIGINALLY I WAS VICE PRESIDENT AND GENERAL COUNSEL. WHEN I LEFT THE BANK THIS PAST NOVEMBER, I WAS PRESIDENT OF THE BANK.

Q WHEN DID YOU BECOME PRESIDENT OF THE MINERS AND MERCHANTS BANK, SIR?

A IN JUNE, 1982.

Q AND THAT WAS WHEN YOU OFFICIALLY BECAME PRESIDENT. DID YOU ASSUME THOSE DUTIES A LITTLE EARLIER THAN THAT?

A YES. I WAS APPOINTED ACTING PRESIDENT ON APRIL 29, 1982.

Q COULD YOU EXPLAIN TO THE JURY HOW YOU BECAME ACTING PRESIDENT OF THE MINERS AND MERCHANTS BANK ON APRIL 29TH, 1982?

A WELL, PRIOR TO THAT TIME, AS I SAID, I WAS VICE PRESIDENT AND GENERAL COUNSEL, WHICH WAS BASICALLY CONSIDERED THE NUMBER TWO POSITION AT THE BANK. MR. JOHN D. MEADE, JR., WAS PRESIDENT OF THE BANK. DURING THE MONTH OF APRIL, 1982, THE FEDERAL RESERVE BANK AND VIRGINIA BUREAU OF FINANCIAL INSTITUTIONS CONDUCTED A ROUTINE BANK EXAMINATION OF OUR INSTITUTION, AND DURING THE COURSE OF THAT EXAMINATION DISCOVERED CERTAIN IRREGULARITIES INVOLVING THE PRESIDENT OF THE BANK, MR. JOHN MEADE. ON APRIL THE 29TH, A SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF THE BANK WAS CALLED, AND AT THAT MEETING THESE ALLEGATIONS AND CHARGES WERE PRESENTED TO THE BOARD, AND MR. MEADE WAS FORCED TO RESIGN AT THAT TIME. AND I WAS APPOINTED ACTING PRESIDENT.

Q AND WHEN DID THIS EXAMINATION BEGIN, MR. REASOR? THE BANK EXAMINATION?

A IT WAS THE VERY FIRST MONDAY IN APRIL, APPROXIMATELY APRIL THE 5TH, 1982.

Q MR. REASOR, IN YOUR CAPACITY AS PRESIDENT OF MINERS AND MERCHANTS BANK AND AS VICE PRESIDENT AND GENERAL COUNSEL, DID YOU HAVE ACCESS TO ALL THE RECORDS IN THE BANK?

A YES, I DID.

Q AND IN THE COURSE OF YOUR DUTIES THERE, DID YOU HAVE OCCASION TO REVIEW CERTAIN LOANS THAT WERE MADE, IN SPECIFIC TO A MR. CARL MCAFEE AND ODELL ROGERS TOGETHER, WHICH INVOLVED SECURITY OR COLLATERAL BEING NOTES THAT THEY HAD RECEIVED FROM A CONGRESSMAN GEORGE HANSEN?

A YES.

Q MR. REASOR, I WOULD LIKE TO SHOW YOU NOW A NUMBER OF EXHIBITS ALL AT ONCE AND SEE IF WE CAN ESTABLISH WHAT THESE ARE, AND THEN I WOULD LIKE TO ASK YOU SOME QUESTIONS ABOUT THEM.

FIRSTLY, NOT IN EVIDENCE AT THE PRESENT TIME, GOVERNMENT'S EXHIBIT 56-A AND 56-B. I WOULD LIKE YOU TO LOOK AT THOSE TWO, MR. REASOR, AND TELL ME IF YOU RECOGNIZE THEM.

A YES. THEY ARE COPIES OF LEDGER SHEETS USED AT MINERS AND MERCHANTS BANK.

Q AND DO THOSE RELATE TO THE LOANS THAT MR. ROGERS AND MR. MCAFEE HAD RECEIVED USING AS COLLATERAL CONGRESSMAN HANSEN'S NOTE?

A YES, THEY ARE.

MR. COLE: YOUR HONOR, I WOULD MOVE THEM INTO EVIDENCE AT THIS TIME.

THE COURT: NO OBJECTION?

MR. CAMPBELL: NO OBJECTION, YOUR HONOR.

THE COURT: IN EVIDENCE, WITHOUT OBJECTION.

(GOVERNMENT'S EXHIBITS 56-A AND 56-B RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. REASOR, I AM GOING TO HAND YOU A NUMBER OF OTHER EXHIBITS AT THIS POINT. EXHIBIT NO. 41, WHICH IS IN EVIDENCE, A $25,000 NOTE FROM GEORGE HANSEN TO ODELL ROGERS AND CARL MCAFEE; EXHIBIT NO. 43, WHICH IS A $25,000 NOTE FROM ROGERS AND MCAFEE TO THE MINERS AND MERCHANTS BANK; EXHIBIT NO. 44, A $25,000 CHECK FROM MINERS AND MERCHANTS BANK TO CARL MCAFEE; EXHIBIT NO. 45, WHICH IS A $60,000 NOTE FROM GEORGE HANSEN TO ODELL ROGERS AND CARL MCAFEE; NO. 47, A $60,000 NOTE FROM CARL MCAFEE TO MINERS AND MERCHANTS BANK; NO. 48, A LOAN-CLEARING DOCUMENT FROM MINERS AND MERCHANTS BANK TO CARL MCAFEE; NO. 49, A DEPOSIT SLIP WHICH GOES WITH THAT NOTE. AND THAT'S ABOUT ALL FOR RIGHT NOW. THAT'S, I THINK, ENOUGH.

MR. REASOR, IF YOU COULD KIND OF ASSEMBLE THOSE RECORDS IN AN ORDER THAT YOU FEEL COMFORTABLE WITH, I WOULD LIKE YOU TO JUST GO THROUGH VERY QUICKLY, IF I CAN, WITH ME AND WITH THE JURY, HOW THESE LOANS OCCURRED AND WHEN THEY OCCURRED.

FIRST OF ALL, A $25,000 LOAN WAS MADE BY THE MINERS AND MERCHANTS BANK; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND WHEN WAS THAT LOAN MADE, SIR?

A IT WAS MADE IN JULY OF 1981.

Q AND THAT WAS MADE TO MR. MCAFEE AND MR. ROGERS?

A THAT'S CORRECT.

Q AND THE SECURITY ON THAT LOAN, OR COLLATERAL?

A WAS A NOTE THAT THEY HELD SIGNED BY MR. GEORGE HANSEN.

Q AND THAT NOTE IS GOVERNMENT'S EXHIBIT 41; IS THAT CORRECT?

A YES, IT IS.

Q AND THE MONEY WAS PAID TO MR. MCAFEE IN A CASHIER'S CHECK, WHICH IS GOVERNMENT'S EXHIBIT 44?

A THAT'S CORRECT.

Q AND THAT CHECK IS SIGNED BY WHO?

A THE AUTHORIZED SIGNATURE ON BEHALF OF THE BANK IS JOHN D. MEADE, JR.

Q TO YOUR KNOWLEDGE, DID MR. MEADE NEGOTIATE THIS LOAN FOR THE BANK?

A TO MY KNOWLEDGE.

Q AND THE TERMS OF THIS NOTE THAT THE BANK GAVE TO MR. ROGERS AND MR. MCAFEE?

A THE NOTE IS A DEMAND NOTE AT 20 PERCENT INTEREST.

Q NOW, THAT NOTE DOESN'T HAVE TO BE PAID AT ANY SPECIFIC TIME AS FAR AS THE PRINCIPAL OF THE NOTE, DOES IT?

A NOT UNLESS THERE WAS A PREVIOUS AGREEMENT. OTHERWISE, JUST ON DEMAND OF THE BANK.

Q NO AGREEMENT IS REFLECTED ON THAT NOTE?

A NOT ON THE FACE OF THE NOTE, NO.

Q UNDER YOUR BANK RULES, HOWEVER, INTEREST IS DUE

QUARTERLY?

A THAT'S CORRECT.

Q AND WHEN WOULD THE FIRST INTEREST PAYMENT BE DUE ON THAT NOTE?

A IT WAS SIGNED IN -- INSTITUTED IN JULY, SO THE FIRST PAYMENT WOULD BE DUE THE LAST DAY OF SEPTEMBER, AND THEN EACH CALENDAR QUARTER AFTERWARDS.

Q SO IT WOULD BE SEPTEMBER 30TH, 1981?

A THAT'S CORRECT.

Q NOW I WOULD LIKE YOU TO GO TO A $60,000 LOAN MADE BY YOUR BANK TO MR. MCAFEE, I BELIEVE, IN THIS CASE.

A THAT'S CORRECT.

Q THAT WOULD BE GOVERNMENT'S EXHIBIT 47.

A YES.

Q AND IS THERE SECURITY FOR THAT NOTE, SIR?

A YES. IT ALSO REFERS TO A $60,000 NOTE PAYABLE TO ODELL ROGERS AND CARL MCAFEE, WITH G. A. HANSEN AS MAKER.

Q AND THAT WAS USED TO SUPPORT THIS LOAN; IS THAT RIGHT?

A THAT'S CORRECT.

Q AND HOW WERE THE PROCEEDS PAID OUT BY THE BANK ON THAT LOAN?

A THERE WAS A $60,000 DEPOSIT -- WELL, FIRST THERE WAS A $60,000 LOAN-CLEARING CHECK, WHICH IS USED WITH ALL THE LOANS, AND IT INDICATES ON THE LOAN-CLEARING CHECK THAT

IT WAS TO BE DEPOSITED TO THE CHECKING ACCOUNT AT MINERS AND MERCHANTS BANK OF ARTHUR ODELL ROGERS; AND THEN THERE IS A DEPOSIT SLIP THE SAME DATE, SHOWING A $60,000 DEPOSIT TO THAT CHECKING ACCOUNT.

Q NOW, THE $60,000 LOAN-CLEARING DOCUMENT IS EXHIBIT 48?

A THAT'S CORRECT.

Q AND THE DEPOSIT IS EXHIBIT 49.

A YES.

Q NOW, THAT LOAN DOCUMENT, THAT LOAN-CLEARING DOCUMENT, THAT'S MADE OUT TO CARL MCAFEE, ISN'T IT?

A CORRECT.

Q BUT INSTRUCTIONS WERE ON IT TO DEPOSIT TO ODELL ROGERS' ACCOUNT?

A THAT'S CORRECT.

Q THIS IS ALSO A DEMAND NOTE, SIR?

A YES.

Q NO SPECIFIC TIME FOR REPAYMENT?

A NOT ON THE FACE OF THE NOTE, NO.

Q AND WHEN WOULD THE FIRST INTEREST PAYMENT BE DUE ON THAT NOTE?

A ALSO ON SEPTEMBER 30TH, 1981.

Q SO IT WOULD HAVE THE SAME DATE OF INTEREST BEING DUE.

A YES.

Q AND COULD YOU TELL ME WHAT THE NUMBERS OF THOSE TWO

LOANS ARE? DOES THE BANK ASSIGN NUMBERS TO LOANS?

A YES, IT DOES. THE $25,000 LOAN NUMBER IS 10719. AND THE $60,000 LOAN NUMBER WAS 10742.

Q MR. REASOR, I WOULD LIKE TO GO THROUGH WITH YOU, FIRST OF ALL, WERE THESE NOTES EVER PAID OFF?

A YES, THEY WERE.

Q AND DO YOU KNOW WHEN THEY WERE PAID OFF?

A MY RECOLLECTION IS THAT ONE OF THE LOANS WAS PAID OFF IN AUGUST OF 1982 AND ONE IN JUNE OF 1983.

Q I WOULD LIKE TO SHOW YOU TWO EXHIBITS THAT HAVE BEEN MARKED. ONE EXHIBIT IS 55-A AND B -- IT INCLUDES TWO CHECKS. THE NEXT EXHIBIT HAS NOT BEEN MARKED YET. I WOULD ASK THE CLERK TO ASSIGN IT THE NEXT NUMBER, IF HE WOULD, PLEASE.

THE DEPUTY CLERK: GOVERNMENT EXHIBIT 63 MARKED FOR IDENTIFICATION.

(GOVERNMENT'S EXHIBIT NO. 63 WAS MARKED FOR IDENTIFICATION)

BY MR. COLE:

Q GOVERNMENT EXHIBIT 63. HAVE YOU EVER SEEN THOSE CHECKS BEFORE, MR. REASOR?

A YES, I HAVE.

Q ARE THOSE THE CHECKS THAT WERE USED TO PAY OFF BOTH THE SIXTY AND THE TWENTY-FIVE THOUSAND DOLLAR LOANS?

A THAT'S CORRECT.

MR. COLE: I WOULD MOVE THEM INTO EVIDENCE AT THIS TIME, YOUR HONOR.

MR. CAMPBELL: NO OBJECTION, YOUR HONOR.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT NO. 63
WAS RECEIVED IN EVIDENCE)

BY MR. COLE:

Q MR. REASOR, WHO MADE THOSE CHECKS OUT?

A WELL, IT APPEARS TO BE THE SIGNATURE OF G. V. HANSEN.

Q WHAT KIND OF ACCOUNT ARE THOSE CHECKS WRITTEN ON? IS IT A BUSINESS ACCOUNT, OR DOES IT LOOK LIKE A PERSONAL ACCOUNT, FROM WHAT YOU'VE SEEN AS A BANKER?

A IT APPEARS TO BE A PERSONAL ACCOUNT.

Q AND WHOSE ACCOUNT IS IT, FROM WHAT YOU CAN TELL FROM THE FACE OF THE CHECK?

A WELL, GENERALLY, THE NAME ON THE CHECK IS USUALLY THE SAME AS THE NAME OF THE ACCOUNT. THE NAME ON THE CHECK IS HONORABLE GEORGE V. HANSEN, MRS. CONNIE S. HANSEN.

Q WOULD THIS BE KNOWN IN THE BANKING TRADE AS A JOINT ACCOUNT?

A IT APPEARS THAT IT WOULD BE, YES.

Q NOW, GOING TO GOVERNMENT'S EXHIBIT 55-A AND B, THERE'S TWO CHECKS THERE, SIR? THAT WAS -- 55-A AND B ARE THE TWO CHECKS THAT I HANDED YOU JUST THERE.

A YES, THERE ARE TWO CHECKS.

Q AND THE FIRST ONE IS $34,602.74?

A THAT'S CORRECT.

Q DATED AUGUST 18TH, 1982.

A I BELIEVE SO. THE COPY IS DIFFICULT TO READ.

Q HOW ABOUT GOING TO THE $30,000 CHECK?

A THAT'S DATED AUGUST 18TH, 1982.

Q FROM YOUR RECORDS IN THE BANK, WERE BOTH OF THESE CHECKS RECEIVED ON THE SAME DATE?

A YES.

Q AND WERE THEY DELIVERED PERSONALLY TO THE BANK?

A THAT'S CORRECT.

Q AND DO YOU KNOW WHO DELIVERED THEM PERSONALLY TO THE BANK?

A NO, I DO NOT FOR SURE. I WAS TOLD THERE WERE TWO INDIVIDUALS, ONE WHO WAS POSITIVELY IDENTIFIED AS CARL MCAFEE.

Q DID YOU EVER FIND OUT SUBSEQUENTLY WHO THE OTHER INDIVIDUAL WAS?

A FROM THE DESCRIPTIONS OF THE INDIVIDUAL, I SURMISED WHO IT WAS, BUT I NEVER FOUND OUT POSITIVELY.

Q ALL RIGHT, SIR. ON THE OTHER CHECK THAT I SHOWED YOU, GOVERNMENT EXHIBIT 63, WHAT KIND OF ACCOUNT IS THAT WRITTEN ON?

A IT'S BASICALLY LISTED THE SAME: HONORABLE GEORGE V. HANSEN, MRS. CONNIE S. HANSEN.

Q A JOINT ACCOUNT?

A IT APPEARS TO BE.

Q AND WHO SIGNS THE CHECK?

A G. V. HANSEN.

Q AND THE DATE OF THE CHECK?

A JUNE 6TH, 1983.

Q MR. REASOR, THIS IS NOT A BUSINESS ACCOUNT THAT THIS CHECK COMES OFF OF?

A IT DOESN'T APPEAR TO BE A BUSINESS ACCOUNT, NO.

Q WERE YOU EVER TOLD IN ANY OF YOUR DEALINGS CONCERNING THESE LOANS THAT THESE LOANS WERE NOT CONGRESSMAN HANSEN'S LOANS, BUT WERE THE LOANS OF SOME NONPROFIT ORGANIZATION OR GROUP?

A NO.

Q DID YOU HAVE COMMUNICATION WITH CONGRESSMAN HANSEN OR PEOPLE ON HIS STAFF CONCERNING THESE LOANS AT ANY TIME?

A I TALKED WITH A MR. MCKENNA FROM MR. HANSEN'S OFFICE, IS THE ONLY INDIVIDUAL I TALKED TO.

Q WAS THIS IN YOUR OFFICE THAT YOU TALKED TO HIM?

A ONCE IT WAS IN MY OFFICE, YES. I TALKED TO HIM ON THE PHONE, AS WELL.

Q AND WAS HE CALLING CONCERNING THESE TWO LOANS?

A YES.

Q AND DID MR. MCKENNA AT ANY TIME EVER TELL YOU THAT HE WAS AT ALL ASSOCIATED WITH ANY ORGANIZATION OR NONPROFIT GROUP AND THAT'S WHY HE WAS CALLING YOU?

A NO.

Q WHAT DID YOU UNDERSTAND MR. MCKENNA'S RELATIONSHIP TO THESE LOANS OR TO CONGRESSMAN HANSEN TO BE WHEN HE TALKED TO YOU ABOUT THESE LOANS?

A HE INDICATED THAT HE WAS A PERSONAL REPRESENTATIVE OF MR. HANSEN'S.

Q MR. REASOR, I WOULD LIKE YOU TO NOW LOOK AT THE LEDGERS THAT HAVE BEEN PUT INTO EVIDENCE, GOVERNMENT'S EXHIBIT 56-A AND 56-B. IS THERE AN INDICATION, FIRST OF ALL, MR. REASOR, AS TO WHEN THE FIRST INTEREST PAYMENT WAS MADE, OR THE DATES OF THE CHECKS FOR THE FIRST INTEREST PAYMENT?

A YES.

Q I WOULD LIKE TO SHOW YOU WHAT IS ALREADY IN EVIDENCE AS GOVERNMENT'S EXHIBIT 51. IT'S A PAGE WITH TWO CHECKS ON IT. ARE THOSE THE TWO CHECKS THAT WERE USED TO MAKE THAT INTEREST PAYMENT, OR MAKE PART OF THAT INTEREST PAYMENT?

A YES. ACCORDING TO OUR RECORDS AT THE BANK, YES.

Q AND COULD YOU TELL ME HOW MUCH EACH OF THOSE CHECKS ARE FOR AND WHO WROTE THEM?

A THE FIRST CHECK IS FOR $623.06; IT'S DRAWN ON CHEROKEE CATTLE COMPANY, AND IT'S SIGNED BY JOHN D. MEADE, JR.

Q AND THE DATE OF THAT CHECK, SIR?

A SEPTEMBER 30TH, 1981.

Q AND THE OTHER CHECK, PLEASE.

A IS MADE PAYABLE AGAIN TO MINERS AND MERCHANTS BANK, FUNDS, $636.53, ALSO DATED SEPTEMBER 30TH, 1981, DRAWN ON THE ACCOUNT OF M&T EQUIPMENT COMPANY, SIGNED BY MALCOLM VAN DYKE.

Q DOES ODELL ROGERS HAVE ANY CONNECTION THAT YOU KNOW OF TO M&T EQUIPMENT COMPANY?

A IT IS MY UNDERSTANDING HE IS A PART OWNER, YES.

Q IN YOUR RESEARCH THROUGH THE BANK'S RECORDS, DID YOU FIND OUT WHETHER ANY OTHER MONEY WAS JOINED WITH THESE TWO CHECKS TO MAKE THIS INTEREST PAYMENT ON THE 30TH OF SEPTEMBER, 1981?

A YES. ACCORDING TO THE BANK RECORDS, THESE TWO CHECKS AND A CERTAIN AMOUNT OF CASH WAS USED TO MAKE INTEREST PAYMENTS ON BOTH OF THE $25,000 AND THE $60,000 NOTE.

Q WAS THE CASH IN A SIMILAR AMOUNT TO THE CHECKS? MAYBE NOT EXACTLY, BUT CLOSE IN AMOUNT?

A I BELIEVE SO.

Q I WOULD LIKE TO SHOW YOU WHAT IS ALREADY IN EVIDENCE AS GOVERNMENT'S EXHIBIT 51-B AND ASK YOU TO LOOK AT THE CHECK STUB. IT'S A CHECK STUB FROM ONE OF THE CHECKS FROM M&T EQUIPMENT THAT MADE THIS SEPTEMBER 30TH PAYMENT. THERE ARE SOME NUMBERS THERE. FIRST, THERE'S THE NUMBER ONE-THIRD. AND NEXT TO THE NUMBER ONE-THIRD ARE TWO NUMBERS AND TWO AMOUNTS. COULD YOU TELL THE JURY WHAT THOSE NUMBERS ARE?

A ONE NUMBER IS 10742, DASH -- IT APPEARS TO BE $1019.18. AND BELOW THAT IS THE NUMBER 10719, DASH, $890.41.

Q DO THOSE NUMBERS CORRESPOND TO THE TWO LOANS THAT YOU ARE TALKING ABOUT HERE, MR. REASOR?

A YES, THEY DO.

Q AND ARE THOSE THE AMOUNTS OF INTEREST WHICH WERE DUE ON BOTH OF THOSE LOANS AS OF THE 30TH OF SEPTEMBER, 1981?

A YES. THAT'S CORRECT.

Q FOLLOWING THIS INTEREST PAYMENT WHICH WAS MADE BY CHECKS FROM MR. MEADE AND MR. ROGERS AND SOME CASH, WHEN WAS THE NEXT INTEREST PAYMENT DUE?

A THE NEXT INTEREST PAYMENT WOULD HAVE BEEN DUE SEPTEMBER 31ST, 1981.

Q SEPTEMBER 31ST, OR DECEMBER?

A EXCUSE ME. DECEMBER 31ST.

Q WAS IT MADE?

A IT WAS, BUT NOT AT THAT TIME.

Q WHEN WAS IT FINALLY MADE?

A IT WAS MADE ON APRIL 16TH, 1982.

Q IS IT TRUE THAT AT THAT POINT THERE WOULD HAVE BEEN TWO INTEREST PAYMENTS DUE, OR OVERDUE AT THAT POINT?

A YES. THE DECEMBER QUARTER AND THE QUARTER ENDING MARCH '82.

Q HOW WAS THAT PAYMENT MADE IN APRIL OF '82 FOR INTEREST? DO YOUR RECORDS REFLECT ANYTHING ABOUT THAT?

A MY RECOLLECTION IS THAT THEY WERE MADE BY CHECK, BUT I REALLY CAN'T SAY FOR SURE.

MR. COLE: WITH THE COURT'S INDULGENCE FOR ONE MOMENT, YOUR HONOR.

THE COURT: SURELY.

BY MR. COLE:

Q MR. REASOR, I WOULD LIKE TO SHOW YOU GOVERNMENT'S EXHIBIT 54, WHICH IS ALREADY IN EVIDENCE, A CHECK DATED APRIL 14TH, 1982. IS THAT THE CHECK USED TO PAY THAT INTEREST IN APRIL OF 1982 THAT WE ARE NOW DISCUSSING?

A I BELIEVE IT WAS, YES.

Q AND WHOSE CHECK IS THAT?

A IT APPEARS TO BE THE SIGNATURE OF G. V. HANSEN.

Q DURING THE TIME THIS CHECK WAS WRITTEN, MR. REASOR, WAS THERE A BANK EXAMINATION GOING ON AT YOUR BANK?

A YES.

Q AND WAS IT CONCERNING MR. MEADE'S LOAN ACTIVITIES?

A THAT'S CERTAINLY PART OF THE EXAMINATION, YES.

Q I WOULD LIKE TO NOW ASK YOU ONE MORE QUESTION ABOUT THIS, MR. REASOR. WE HAVE HEARD SOMETHING ABOUT A LOAN BEING PARTICIPATED. COULD YOU TELL US WHAT PARTICIPATING A LOAN IS?

A WELL, IN THIS PARTICULAR INSTANCE, PARTICIPATING A LOAN SIMPLY MEANT THAT IT WAS SOLD TO ANOTHER BANK. AND THAT IS DONE FREQUENTLY. FOR VARIOUS REASONS, BANKS BUY AND SELL LOANS TO EACH OTHER.

Q WERE EITHER OF THESE LOANS SOLD TO ANOTHER BANK?

A YES. THE $25,000 NOTE WAS SOLD TO DICKENSON -

BUCHANAN BANK.

Q AND WHEN WAS THAT SOLD?

A THE DATES ARE DIFFICULT TO READ. IT WAS IN EARLY 1982, I BELIEVE ON JANUARY -- EXCUSE ME. I BELIEVE IT WAS ON APRIL THE 5TH, 1982.

Q APRIL THE 5TH, 1982?

A YES.

Q WAS THAT THE SAME DATE THAT THE BANK EXAMINERS CAME INTO YOUR BANK?

A I BELIEVE IT WAS, YES.

MR. COLE: NO FURTHER QUESTIONS AT THIS TIME, YOUR HONOR.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. CAMPBELL:

Q GOOD MORNING, MR. REASOR.

A GOOD MORNING.

Q MR. REASOR, IT'S YOUR TESTIMONY THAT IT WAS ON OR ABOUT APRIL 5TH OF 1982 THAT A BANK EXAMINATION BEGAN OF MINERS AND MERCHANTS WHILE YOU WERE VICE PRESIDENT AND GENERAL COUNSEL; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND AT THE TIME, MR. MEADE WAS PRESIDENT OF THE BANK.

A YES.

Q AND IT WASN'T UNTIL APRIL 29TH OF 1982, THE END OF

THAT MONTH, THAT MR. MEADE WAS RELIEVED OF HIS DUTIES AS PRESIDENT OF THE BANK; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND IT WAS AT THAT TIME THAT YOU WERE APPOINTED AS ACTING PRESIDENT OF THE BANK OF MINERS AND MERCHANTS.

A THAT'S CORRECT.

Q AND IT WAS SUBSEQUENT TO THAT TIME THAT YOU BECAME AWARE OF AN INVESTIGATION OF POSSIBLE CRIMINAL CHARGES THAT MIGHT BE BROUGHT AGAINST MR. MEADE IN CONNECTION WITH THE ACTIVITIES THAT HAD BEEN AUDITED DURING THAT MONTH OF APRIL BY THE BANK EXAMINERS. IS THAT CORRECT?

A YES.

Q AND SOMETIME DURING THE MONTH OF MAY, EARLY MONTH OF MAY, 1982, YOU HAD RECEIVED A SUBPOENA OR A NUMBER OF SUBPOENAS FROM A FEDERAL GRAND JURY INVESTIGATING THOSE BANKING PROCEDURES, ASKING FOR CERTAIN RECORDS. IS THAT CORRECT?

A THAT'S CORRECT.

Q AND PURSUANT TO YOUR RECEIPT OF THOSE SUBPOENAS, YOU NOTIFIED INDIVIDUALS WHOSE RECORDS WERE INVOLVED CONCERNING THE FACT THAT A SUBPOENA HAD BEEN RECEIVED AND THAT THE SUBPOENA COVERED THEIR RECORDS. IS THAT CORRECT?

A THAT'S CORRECT.

Q AND YOU NOTIFIED THOSE INDIVIDUALS BY LETTER, DID YOU NOT?

A YES, WE DID.

Q AND ONE OF THOSE INDIVIDUALS YOU NOTIFIED WAS CONGRESSMAN GEORGE HANSEN, WAS IT NOT?

A THAT'S CORRECT.

Q PRIOR TO THAT TIME, YOU HAD NO ORAL CONVERSATIONS WITH CONGRESSMAN HANSEN; IS THAT CORRECT?

A NO. I THINK -- AND I ONLY SEEM TO -- I FEEL THAT ON MAYBE SEVERAL OCCASIONS HE MAY HAVE CALLED THE BANK TO TALK TO MR. MEADE AND I MAY HAVE ANSWERED THE PHONE, HAD A CONVERSATION TO THE EXTENT THAT MR. MEADE WAS NOT THERE, AND SO FORTH. BUT NEVER ANY DISCUSSIONS OF ANY LOANS, NO.

Q NEVER ANY DISCUSSIONS OF ANY LOANS, NEVER NAY DISCUSSIONS OF ANY GRAND JURY SUBPOENAS.

A THAT'S CORRECT.

Q AND YOUR FIRST COMMUNICATION WITH CONGRESSMAN HANSEN CONCERNING A GRAND JURY SUBPOENA THAT YOU HAD RECEIVED FOR THE BANK RECORDS WAS IN THE FORM OF A LETTER THAT YOU SENT HIM AFTER THE RECEIPT OF THAT GRAND JURY SUBPOENA. IS THAT CORRECT?

A THAT'S CORRECT.

MR. CAMPBELL: I WOULD LIKE TO HAVE THIS MARKED AS DEFENDANT'S EXHIBIT 23.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 23 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 23 WAS MARKED FOR IDENTIFICATION)

BY MR. CAMPBELL:

Q MR. REASOR, I HAND YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT NO. 23 AND I ASK IF YOU CAN IDENTIFY THAT FOR THE COURT AND JURY.

A YES. THAT'S THE LETTER THAT I WROTE TO MR. HANSEN ON MAY 17TH, 1982.

Q AND COULD YOU TELL US WHAT THE -- WELL, IT'S A SHORT LETTER. COULD YOU READ THE TWO PARAGRAPHS WHICH YOU WROTE?

MR. CAMPBELL: EXCUSE ME, YOUR HONOR. WE WOULD LIKE TO MOVE THAT EXHIBIT INTO EVIDENCE AT THIS TIME.

MR. COLE: NO OBJECTION, YOUR HONOR.

THE COURT: IN EVIDENCE.

(DEFENDANT'S EXHIBIT NO. 23
WAS RECEIVED IN EVIDENCE)

BY MR. CAMPBELL:

Q COULD YOU KINDLY READ THE TWO PARAGRAPHS THAT YOU WROTE IN THE LETTER THERE?

A IT SAYS: "SIR, ON MAY 6, 1982, MINERS AND MERCHANTS BANK WAS SERVED WITH A SUBPOENA TO TESTIFY OR PRESENT CERTAIN DOCUMENTS BEFORE THE GRAND JURY ON JUNE 8, 1982. YOUR NAME WAS LISTED AS ONE OF THE INDIVIDUALS OR ENTITIES TO BE COVERED. THE BANK IS REQUIRED TO PRESENT ANY AND ALL LOAN RECORDS AND A LISTING OF ANY ACCOUNTS FOR THE PERIOD JANUARY 1, 1980, TO MAY 1, 1982, THAT YOU MAY HAVE HAD WITH MINERS AND MERCHANTS BANK. IF YOU HAVE ANY QUESTIONS REGARDING THIS SUBPOENA, YOU

SHOULD CONTACT YOUR ATTORNEY AND/OR THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF VIRGINIA BEFORE JUNE 8, 1982. UNLESS WE HEAR FROM YOU PRIOR TO THIS DATE, YOUR RECORDS WILL BE DELIVERED TO THE GRAND JURY."

Q NOW, MR. REASOR, ATTACHED TO THAT LETTER IS AN ENVELOPE, IS THERE NOT?

A THAT'S CORRECT.

Q AND THAT ENVELOPE IS THE ENVELOPE IN WHICH THIS LETTER WAS SENT, IS IT NOT?

A IT APPEARS TO BE, YES.

Q IT IS, IN FACT, A CERTIFIED -- PIECE OF CERTIFIED MAIL, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND THERE WAS A RETURN RECEIPT REQUESTED ON THAT PIECE OF MAIL, WAS THERE NOT?

A YES.

Q AND THE NOTATION ON THAT ENVELOPE -- FIRST OF ALL, COULD YOU TELL US WHAT THE DATE OF THE POSTMARK IS ON THE ENVELOPE?

A MAY 18, 1982.

Q SO YOU HAD WRITTEN THE LETTER ON MAY 17TH, THE LETTER WAS POSTMARKED ON MAY 18TH; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND IT APPEARS FROM THE RETURN RECEIPT NOTATION THAT THE LETTER WAS NOT RECEIVED UNTIL MAY 20TH, 1982.

A THAT'S CORRECT.

Q SUBSEQUENT TO YOUR MAILING THAT LETTER TO CONGRESSMAN HANSEN, PUTTING HIM ON NOTICE OF THE GRAND JURY SUBPOENA FOR BANK RECORDS THAT INVOLVED HIS LOANS TO MR. MCAFEE AND MR. ROGERS AND MR. MEADE -- LOANS FROM MR. MCAFEE, MR. ROGERS AND MR. MEADE, YOU HAD A CONVERSATION WITH SOMEONE ON THE CONGRESSMAN'S STAFF ABOUT THAT SUBPOENA, DID YOU NOT?

A YES. I BELIEVE IT WAS AFTER THIS LETTER WAS SENT.

Q IT WAS AFTER THE LETTER WAS SENT. AND THAT WAS MR. MCKENNA? IS THAT WHAT YOUR RECOLLECTION IS?

A YES.

Q AND AT THAT TIME YOU EXPLAINED TO HIM THE CIRCUMSTANCES CONCERNING THE GRAND JURY INVESTIGATION AND THE NOTES THAT HAD BEEN INVOLVED IN THE SUBPOENA. IS THAT CORRECT?

A THAT'S CORRECT.

Q NOW, TURNING YOUR ATTENTION TO APRIL 1983, YOU HAD BEGUN, HAD YOU NOT, AT THAT TIME CERTAIN STEPS TO TRY TO COLLECT ON THE $25,000 NOTE WHICH THE BANK HAD RECEIVED FROM MR. ROGERS AND MR. MCAFEE SECURED BY A $25,000 NOTE TO THEM BY MR. HANSEN, HAD YOU NOT?

A THAT'S CORRECT.

Q AND IN APRIL OF 1983, YOU HAD SENT TO MR. MCAFEE A NOTE -- OR A LETTER SUGGESTING THAT THE BANK WAS DEMANDING PAYMENT IN FULL OF THE INTEREST AND PRINCIPAL ON THAT NOTE, DID YOU NOT?

A I BELIEVE THAT'S CORRECT, YES.

Q AND YOU SENT COPIES OF THAT LETTER TO MR. ROGERS AND CONGRESSMAN HANSEN.

A I THINK SO, YES.

Q AND SUBSEQUENT TO THAT TIME, YOU HAD CONVERSATIONS WITH MR. MCKENNA CONCERNING THE PURCHASE OF THAT NOTE TO SATISFY THE OBLIGATION, DID YOU NOT?

A YES.

Q AND YOU ARE AWARE, ARE YOU NOT, THAT THERE WAS A PIECE OF LITIGATION THAT WAS FILED AGAINST THE CONGRESSMAN BY MR. ROGERS AND MR. MCAFEE SEEKING COLLECTION ON THE NOTE THAT WAS IN YOUR POSSESSION. IS THAT CORRECT?

A I WAS TOLD THAT THERE WAS SUCH LITIGATION, YES.

Q BUT YOU HAD IN FACT BEGUN NEGOTIATING THE PURCHASE OF THE NOTE BEFORE THAT LITIGATION WAS INITIATED; ISN'T THAT CORRECT?

A WELL, I HAD NEGOTIATED, OR HAD SPOKEN TO MR. MCKENNA ABOUT THE LOAN BEING PAID OFF AT MINERS AND MERCHANTS BANK, YES.

Q AND THAT WAS BEFORE LITIGATION WAS FILED, WAS IT NOT?

A BY MINERS AND MERCHANTS BANK?

A NO. BY MR. MCAFEE AND MR. ROGERS AGAINST CONGRESSMAN HANSEN.

A I REALLY HAVE NO IDEA, BECAUSE I DON'T KNOW WHEN

//

THAT LITIGATION WAS FILED.

Q IN ANY EVENT, ON JUNE 9TH, 1983, YOU SENT A LETTER TO THE CONGRESSMAN INDICATING YOUR RECEIPT OF A CHECK IN THE AMOUNT OF $31,045.20 IN FULL SATISFACTION OF THE NOTE THAT THE BANK HELD FROM MR. MCAFEE AND MR. ROGERS AND THE COLLATERAL NOTE OF MR. HANSEN TO MR. MCAFEE AND MR. ROGERS; IS THAT CORRECT?

A I BELIEVE THAT'S CORRECT, YES.

MR. CAMPBELL: I WOULD LIKE TO HAVE THIS MARKED AS DEFENDANT'S EXHIBIT NO. 24.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 24 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 24 WAS MARKED FOR IDENTIFICATION)

BY MR. CAMPBELL:

Q I HAND YOU WHAT IS MARKED DEFENDANT'S EXHIBIT 24 FOR IDENTIFICATION AND ASK IF YOU CAN IDENTIFY THAT, MR. REASOR.

A YES. IT IS A LETTER THAT I WROTE ON JUNE 9TH, 1983, TO MR. HANSEN, WITH COPIES TO MR. MCAFEE AND MR. ROGERS.

Q AND WHAT IS THE SUBSTANCE OF THAT LETTER?

A WELL, IT READS: "UPON RECEIPT OF YOUR CHECK IN THE AMOUNT OF $31,045.20 APPLIED AS PAY-OFF ON THAT CERTAIN NOTE FROM CARL E. MCAFEE AND ODELL ROGERS TO MINERS AND MERCHANTS BANK SECURED BY THAT CERTAIN NOTE FROM GEORGE V.

HANSEN TO ODELL ROGERS AND CARL MCAFEE, ENCLOSED IS THE AFORESAID NOTE TO MINERS AND MERCHANTS BANK ASSIGNED AND TRANSFERRED TO YOU. ALSO ENCLOSED IS YOUR RECEIPT AND YOUR NOTE TO MR. ROGERS AND MR. MCAFEE. IF THERE ARE ANY FURTHER QUESTIONS CONCERNING THIS TRANSACTION, DO NOT HESITATE TO CONTACT ME."

Q SO, AT THAT POINT, THE $25,000 OBLIGATION WAS SATISFIED BY CONGRESSMAN HANSEN, WAS IT NOT?

A TO MINERS AND MERCHANTS BANK, YES.

Q AND YOU TRANSFERRED BOTH THE NOTE FROM MR. MCAFEE AND MR. ROGERS TO THE BANK AND THE NOTE FROM CONGRESSMAN HANSEN TO THOSE TWO GENTLEMEN TO CONGRESSMAN HANSEN UPON YOUR RECEIPT OF THAT CHECK IN THAT AMOUNT.

A THAT'S CORRECT.

MR. CAMPBELL: THE COURT'S INDULGENCE, YOUR HONOR.

NO FURTHER QUESTIONS, YOUR HONOR.

THE COURT: ANYTHING FURTHER?

MR. COLE: JUST ONE OR TWO QUESTIONS ON REDIRECT.

MR. CAMPBELL: YOUR HONOR, I WOULD LIKE TO MOVE DEFENDANT'S EXHIBIT NO. 24 INTO EVIDENCE.

MR. COLE: I HAVE NO OBJECTION.

THE COURT: IT IS NOT IN EVIDENCE.

(DEFENDANT'S EXHIBIT NO. 24
WAS RECEIVED IN EVIDENCE)

REDIRECT EXAMINATION

BY MR. COLE:

Q MR. REASOR, WHEN YOU MET WITH MR. MCKENNA DOWN IN GRUNDY, AT YOUR BANK, HE JUST SHOWED UP, DIDN'T HE?

A YES.

Q HE HADN'T CALLED YOU TO MAKE AN APPOINTMENT, DID HE?

A NO.

Q THIS WAS THE FIRST YOU HAD HEARD FROM HIM; IS THAT RIGHT?

A THAT'S CORRECT.

Q MATTER OF FACT, DIDN'T HE MAKE SOME COMMENT ABOUT WHAT A LONG DRIVE IT WAS?

A I BELIEVE SO.

Q SO THE FIRST REACTION TO THAT LETTER THAT YOU HAD SENT OUT, ONE OF THE DEFENSE EXHIBITS, NOTIFYING THE CONGRESSMAN THAT THERE WERE SUBPOENAS OUT FOR HIS LOAN RECORDS, WAS THAT MR. MCKENNA DROVE FROM WASHINGTON, D. C., DOWN TO GRUNDY, VIRGINIA, TO TALK TO YOU ABOUT THOSE. IS THAT RIGHT?

A YES. THAT'S MY UNDERSTANIDNG.

Q AND HE NEVER TOLD YOU ANYTHING OTHER THAN HE WAS JUST A LEGISLATIVE AIDE FOR THE CONGRESSMAN?

A THAT HE WAS REPRESENTING CONGRESSMAN HANSEN, WAS A PERSONAL REPRESENTATIVE OF HIS.

Q MR. REASOR, ON THESE PAY-OFFS ON THE LOAN, IF YOU COULD CHECK THE LEDGER, AFTER THE APRIL PAYMENT OF INTEREST, WHICH WAS DURING THE BANK EXAMINATION, BETWEEN THEN AND THE PAY-OFF, WAS THERE EVER ANY OTHER PAYMENT MADE ON THE LOAN -- ON THE $25,000 LOAN?

A NO. THERE WAS NOT.

Q AND THE FINAL PAYMENT WAS MADE ON THE $25,000 LOAN ON WHAT DATE? DO YOU HAVE A CHECK OR THE LETTER THAT YOU HAVE THERE YOU SENT? I KNOW THERE'S A LOT OF PAPERS UP THERE, MR. REASOR.

A IS THIS ON THE 25,000?

Q YES.

A THE 25,000 WAS -- WELL, MY LETTER BACK TO CONGRESSMAN HANSEN WAS DATED JUNE THE 9TH, SO I WOULD SAY THE NOTE WAS PAID OFF ON THE 8TH OR THE 9TH.

Q AND THE CHECK, AS A MATTER OF FACT, WAS DATED THE 6TH; IS THAT RIGHT?

A THAT'S CORRECT.

Q AND THAT WAS AFTER THE INDICTMENT IN THIS CASE?

A I BELIEVE IT WAS. I'M NOT SURE.

MR. COLE: THANKS.

RECROSS EXAMINATION

BY MR. CAMPBELL:

Q MR. REASOR, THE LETTER WHICH YOU SENT NOTIFYING THE CONGRESSMAN OF THE RECEIPT OF SUBPOENAS, THAT WAS DATED MAY 17TH; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND THE INDICATION ON THE RETURN RECEIPT WAS THAT IT WAS RECEIVED MAY 20TH; IS THAT CORRECT?

A THAT'S CORRECT.

Q ISN'T IT TRUE THAT THE RECEIPT OF THE PAYMENT FOR THE $60,000 NOTE IN THE BANK'S POSSESSION WASN'T UNTIL AUGUST THE 18TH, 1982?

A THAT'S CORRECT.

Q THAT WAS NEARLY TWO MONTHS LATER, WAS IT NOT?

A THREE MONTHS LATER.

Q THREE MONTHS LATER. AND IT WASN'T AS THOUGH MR. MCKENNA HAD JUST JUMPED IN THE CAR AS SOON AS HE RECEIVED THE -- OR THE CONGRESSMAN RECEIVED YOUR LETTER AND DRIVEN DOWN, AS MR. COLE SUGGESTS, AND PAID OFF THE LOAN.

A NO. HE CAME DOWN, BUT HE DID NOT PAY OFF THE LOANS AT THAT TIME.

Q AND THAT DID NOT OCCUR, IN FACT, UNTIL AUGUST THE 18TH, 1982.

A THAT'S CORRECT.

Q IN FACT, THAT WAS APPROXIMATELY ONE YEAR AFTER THE NOTE WAS MADE.

A YES. APPROXIMATELY.

MR. CAMPBELL: NO FURTHER QUESTIONS, YOUR HONOR.

MR. COLE: I HAVE NOTHING FURTHER, YOUR HONOR. I WOULD JUST LIKE TO FINISH THE CHART. I WOULD ASK THE COURT ALLOW THE WITNESS TO BE EXCUSED.

THE COURT: YES. MR. REASOR, YOU ARE EXCUSED. I WOULD ASK ONLY THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED.

HAVE A GOOD DAY.

THE WITNESS: THANK YOU.

MR. COLE: YOUR HONOR, I REQUEST TO PUT THE FIRST ONE UP AND PUBLISH IT TO THE JURY.

THE COURT: YOU MAY.

MR. COLE: THE NEXT ENTRY READS, "NOVEMBER 23, 1981: GEORGE HANSEN DEPOSITS $50,000 LOAN FROM MEADE INTO GEORGE HANSEN REACH ACCOUNT."

MR. LEWIN: THAT LINE WE HAVE NO OBJECTION TO.

THE COURT: "1982"?

MR. COLE: THE FINAL ENTRY ON THIS CHART, "APRIL 14, 1982: GEORGE HANSEN PAYS $8,476.71 IN PARTIAL INTEREST ON $25,000 AND $60,000 LOANS."

YOUR HONOR, AT THIS TIME, GOVERNMENT'S EXHIBIT 8-C IS NOW COMPLETED, AND I WOULD MOVE IT INTO EVIDENCE.

THE COURT: SUBJECT TO THE RUNNING OBJECTION?

MR. LEWIN: SUBJECT TO THE PRIOR OBJECTION.

THE COURT: ALL RIGHT. IT IS IN EVIDENCE, OVER THAT OBJECTION.

(GOVERNMENT'S EXHIBIT 8-C WAS RECEIVED IN EVIDENCE)

THE COURT: MR. WEINGARTEN?

MR. WEINGARTEN: THANK YOU, YOUR HONOR. WE HAVE A STIPULATION; I BELIEVE IT IS 11. I REQUEST PERMISSION TO PUBLISH IT TO THE JURY.

THE COURT: ALL RIGHT.

REMEMBER, LADIES AND GENTLEMEN OF THE JURY, THAT A STIPULATION IS AN AGREED-UPON STATEMENT BY AND BETWEEN COUNSEL AND THE PARTIES IN THIS CASE, AND YOU MAY CONSIDER IT AS UNDISPUTED EVIDENCE.

MR. WEINGARTEN.

MR. WEINGARTEN: THANK YOU.

STIPULATION NO. 11: "IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES THAT THE $25,000 THAT GEORGE V. HANSEN RECEIVED ON JULY 23RD, 1981, FROM MESSRS. MCAFEE AND ROGERS, THE $60,000 THAT GEORGE V. HANSEN RECEIVED ON AUGUST 19TH, 1981, FROM MESSRS. MCAFEE AND ROGERS, AND THE $50,000 GEORGE V. HANSEN RECEIVED ON NOVEMBER 21, 1981, FROM JOHN MEADE WERE DEPOSITED IN AN ACCOUNT IN THE RIGGS NATIONAL BANK OF WASHINGTON CALLED THE GEORGE HANSEN REACH ACCOUNT, AND WERE WITHDRAWN WITHIN ONE WEEK OF EACH DEPOSIT BY GEORGE V. HANSEN THROUGH CHECKS WRITTEN BY GEORGE V. HANSEN. THE PAYMENTS MADE BY THESE CHECKS WERE NOT RELATED TO THE ASSOCIATION FOR CONCERNED TAXPAYERS. RESPECTFULLY SUBMITTED," THE PARTIES.

THE COURT: ALL RIGHT.

MR. WEINGARTEN: YOUR HONOR, AT THIS TIME WE REQUEST ABOUT TWO MINUTES TO CHECK THE EXHIBIT LIST, AND IF

WE ARE SATISFIED THAT THAT IS IN SHAPE, WE ARE PREPARED TO REST.

THE COURT: ALL RIGHT.

MR. WEINGARTEN: THERE IS AN INDICATION ON THE CLERK'S RECORD THAT GOVERNMENT EXHIBITS 14 AND 16, RELATING TO THE $50,000 NOTE TO CONNIE HANSEN IN DALLAS, WERE NOT MOVED INTO EVIDENCE. WE SO MOVE AT THIS TIME.

MR. LEWIN: NO OBJECTION, YOUR HONOR.

THE COURT: MAYBE SO. I HAD IT IN MY LIST THAT IT HAD BEEN MOVED INTO EVIDENCE. BUT, IN ANY EVENT, THERE IS NO OBJECTION, SO IT IS NOW IN EVIDENCE IF IT HAD NOT BEEN BEFORE.

(GOVERNMENT'S EXHIBITS 14 AND
16 WERE RECEIVED IN EVIDENCE)

THE COURT: GENTLEMEN, AS SOON AS YOU HAVE COMPLETED THAT, I WILL ASK YOU TO COME UP HERE FOR A MOMENT.

GENTLEMEN, WHY DON'T YOU COME UP TO THE BENCH FOR A MINUTE.

(AT THE BENCH)

THE COURT: I UNDERSTAND ONE OF OUR JURORS HAS TO GO TO THE BATHROOM, SO WE ARE GOING TO BE TAKING A FIVE OR TEN-MINUTE RECESS, IN ANY EVENT, AT THIS POINT. I JUST WANTED TO MAKE SURE THE GOVERNMENT IS GOING TO BE RESTING.

MR. WEINGARTEN: RIGHT.

THE COURT: AND I ASSUME THE GOVERNMENT WANTS TO

SAY THAT JUST IMMEDIATELY PRIOR TO TAKING THE RECESS.

AND I DO WANT TO SAY THAT I AM REITERATING MY RULING ON MATERIALITY WHICH I HAD DECIDED EARLIER IN FAVOR OF THE GOVERNMENT. WE WILL GIVE SOME EXPLANATION OF THAT AFTERWARDS, WHEN I PRESUME THERE WILL BE SOME OTHER DISCUSSION AT THE BENCH.

BUT, IN ANY EVENT, YOU ARE GOING TO BE RESTING NOW.

MR. WEINGARTEN: RIGHT.

THE COURT: DO YOU WANT TO SAY THAT, AND I'LL LET THE JURY GO FOR TEN MINUTES?

MR. LEWIN: SURE.

THE COURT: ALL RIGHT.

(END OF BENCH CONFERENCE)

THE COURT: MR. WEINGARTEN?

MR. WEINGARTEN: YOUR HONOR, THE GOVERNMENT RESTS.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE ARE GOING TO TAKE AN APPROXIMATELY TEN-MINUTE RECESS, LET'S SAY 15-MINUTE RECESS AT THIS TIME SO THAT YOU CAN REFRESH YOURSELVES. AND THEN WE WILL COME BACK FOR ABOUT AN HOUR OF CONTINUING ACTIVITY IN THE COURTROOM.

PLEASE DO NOT DISCUSS THE CASE AMONG YOURSELVES. THE GOVERNMENT HAS RESTED.

AND IF COUNSEL WILL WAIT FOR A MOMENT, AND MR. HANSEN, WE WILL TALK ABOUT OUR PROCEDURES WHEN WE COME BACK

FROM OUR BRIEF REST, ALSO.

(THE JURY LEFT THE COURTROOM)

THE COURT: MR. LEWIN, HOW WILL YOU PLAN TO PROCEED, THEN? I KNOW YOU HAVE PRESENTED ME, AND I THANK YOU FOR THAT, WITH THE DEFENDANT'S EXHIBIT LIST, WHICH IS SITTING ON MY DESK THIS MORNING, AS I HAVE HAD THE GOVERNMENT'S EXHIBIT LIST ALL ALONG.

MR. LEWIN: YES, YOUR HONOR.

THE COURT: THAT WILL BE VERY HELPFUL.

MR. LEWIN: YES. WE HAVE -- AS YOUR HONOR NOTES, THE DEFENDANT EXHIBIT LIST BEGINS WITH EXHIBIT 25, BECAUSE THERE WERE VARIOUS EXHIBITS THAT WE MARKED DURING THE GOVERNMENT'S CASE.

THE COURT: I GATHERED THAT.

MR. LEWIN: SO THOSE ARE THE EXHIBITS THAT WE ARE EXPECTING THAT WE WILL BE USING IN THE PRESENTATION OF THE DEFENSE CASE. AND WE WILL BEGIN, OF COURSE, CALLING WITNESSES IF YOUR HONOR DENIES OUR MOTION, WHICH WE ARE NOW MAKING UNDER RULE 29, FOR A JUDGMENT OF ACQUITTAL.

WITH REGARD TO THAT MOTION, WE ARE MAKING A MOTION AT THIS TIME FOR A JUDGMENT OF ACQUITTAL UNDER RULE 29, AND MR. BRAGA WILL BE PRESENTING THE LEGAL ARGUMENT IN SUPPORT OF THAT MOTION.

~~OF~~ COURSE, WITH REGARD TO MATERIALITY, WE HAVE PREVIOUSLY SET OUT OUR POSITION IN THE LEGAL MEMORANDA. WE

BELIEVE IT IS CONFIRMED BY EVERYTHING THAT HAS HAPPENED IN THE COURSE OF THE GOVERNMENT'S CASE, THAT THE ELEMENT OF MATERIALITY IS ABSENT IN THIS CASE. WHATEVER STATEMENTS WERE MADE WERE PLAINLY NOT MATERIAL WITHIN THE MEANING OF ANY CASE UNDER SECTION 1001. AND WE REITERATE THAT AT THE PRESENT TIME.

IN ADDITION TO THAT, AS I SAID, MR. BRAGA WILL BE PRESENTING ARGUMENT ON MOTIONS DIRECTED TO SPECIFIC COUNTS OF THE INDICTMENT. I DON'T KNOW WHETHER YOUR HONOR WOULD PREFER TO HAVE THAT DONE NOW OR AFTER THE RECESS.

THE COURT: WE WILL COME BACK IN TEN MINUTES, AND WE WILL TAKE PART OF THE REMAINING FIVE MINUTES THAT THE JURY HAS TO HEAR THAT AND PERHAPS JUST A VERY FEW MOMENTS BEYOND IT. BUT WE WILL HAVE IT BRIEFLY HEARD, BOTH PARTIES' POSITIONS.

(SHORT RECESS TAKEN FROM 10:55 A.M. UNTIL 11:05 A.M.)

(JURY NOT PRESENT)

THE COURT: WE CERTAINLY HAVE SMOKERS YONDER. EVERY TIME YOU GO BY, YOU HAVE THESE CLOUDS OF SMOKE THAT ENGULF YOU AS I AM ABOUT TO COME INTO THE COURTROOM.

ALL RIGHT. YES, MR. LEWIN. MR. BRAGA.

MR. BRAGA: AT THIS TIME, YOUR HONOR, I WOULD LIKE TO MAKE A RULE 29 MOTION FOR JUDGMENT OF ACQUITTAL.

YOUR HONOR, WE RECOGNIZE THAT THE TEST IS VERY STRINGENT TO GET A MOTION FOR A JUDGMENT OF ACQUITTAL AT THE

CLOSE OF THE GOVERNMENT'S CASE, BUT IN THIS CASE, WE BELIEVE IT HAS BEEN MET.

I WOULD LIKE TO SPLIT MY ARGUMENT. THERE IS REALLY TWO DIFFERENT PARTS TO IT. THE FIRST PART GOES TO COUNT 2, WHICH IS THE COUNT THAT ALLEGES THAT CONGRESSMAN HANSEN FAILED TO REPORT ON MAY 15TH, 1981, THAT HE WAS INDEBTED TO NELSON BUNKER HUNT. THAT COUNT ARISES FROM THE FACT THAT MR. HUNT FULFILLED HIS GUARANTEE ON CONNIE HANSEN'S DALLAS LOAN AND PURCHASED THAT NOTE FROM THE DALLAS NATIONAL BANK.

THERE IS NO EVIDENCE THAT HAS BEEN ADDUCED BY THE GOVERNMENT THAT GEORGE HANSEN KNEW THAT NELSON BUNKER HUNT PURCHASED THAT LOAN BY MAY 15TH, 1981, WHEN HE FILLED OUT HIS EIGA FORM FOR THE YEAR 1980.

I CULLED THE TRANSCRIPTS ON THIS POINT, AND THAT IS WHAT I JUST HANDED UP TO THE COURT. THE ONLY PEOPLE WHO TESTIFIED ABOUT MR. HUNT'S PURCHASE OF THE NOTE WERE MR. HUNT, HIMSELF, AND SAM HENRY OF THE DALLAS NATIONAL BANK. SAM HENRY TESTIFIED MERELY THAT MR. HUNT FULFILLED HIS GUARANTEE AND PURCHASED THE NOTE ON JUNE 3RD, 1980. MR. HUNT TESTIFIED -- I BELIEVE IF YOU LOOK AT PAGE 105 OF THE TRANSCRIPT I HAVE HANDED UP TO YOU -- THAT AFTER HE PURCHASED THE NOTE, HE HAD WRITTEN SOME LETTERS TO CONNIE HANSEN TRYING TO COLLECT ON THE NOTE. AND LATER ON, ON PAGE 130, WHICH IS THE SECOND CLIP OF THE TRANSCRIPT, THAT HE BELIEVED HE CALLED MRS. HANSEN ONE TIME. NOWHERE IN THE EVIDENCE ADDUCED BY THE

GOVERNMENT ARE THERE ANY DATES AS TO WHEN MR. HUNT MIGHT HAVE WRITTEN THESE LETTERS TO CONNIE HANSEN, WHEN MR. HUNT MIGHT HAVE CALLED CONNIE HANSEN ABOUT THIS. THE ONLY DATE THAT ENTERS INTO THIS PURCHASE OF THE HUNT NOTE IS IN CROSS-EXAMINATION OF MR. HUNT, MR. WEINGARTEN BROUGHT OUT THAT WHEN MR. IRWIN, MR. HUNT'S ATTORNEY, CAME TO WASHINGTON IN CONNECTION WITH THE BLACKMAIL LETTER, HE HAD CONNIE HANSEN SIGN TWO NEW NOTES INDICATING HER INDEBTEDNESS TO NELSON BUNKER HUNT.

MR. HUNT WASN'T PRESENT AT THAT TIME AND, CONSEQUENTLY, HIS TESTIMONY DID NOT REVEAL ANY OF THE CIRCUMSTANCES SURROUNDING THE SIGNING OF THOSE NEW NOTES. HE DID NOT SAY WHO WAS THERE AND, MOST IMPORTANTLY FOR PRESENT PURPOSES, HE DID NOT SAY THAT GEORGE HANSEN WAS THERE AND WAS AWARE THAT CONNIE HANSEN SIGNED THESE NEW NOTES.

WITHOUT ANY DIRECT EVIDENCE THAT GEORGE HANSEN KNEW THAT NELSON BUNKER HUNT PURCHASED THIS NOTE BY MAY 15TH, 1981, WHEN HE FILLED OUT THAT EIGA FORM, THE GOVERNMENT IS FORCED TO TRY TO IMPUTE CONNIE HANSEN'S KNOWLEDGE OF THAT PURCHASE TO GEORGE HANSEN. IF THEY CAN SHOW THAT GEORGE HANSEN HAD IMPUTED KNOWLEDGE OR CONSTRUCTIVE KNOWLEDGE THROUGH CONNIE HANSEN, THEN THEY COULD ARGUE THAT THEY HAVE SUFFICIENTLY ESTABLISHED THAT GEORGE HANSEN KNOWINGLY LEFT THAT OFF HIS EIGA FORM, BECAUSE HE KNEW ABOUT IT. THE ONLY WAY THAT THEY COULD IMPUT THAT KNOWLEDGE TO GEORGE HANSEN WOULD BE THROUGH

A PRINCIPAL-AGENCY TYPE OF RELATIONSHIP. THEY WOULD HAVE TO SHOW THAT CONNIE HANSEN WAS GEORGE HANSEN'S AGENT, GEORGE HANSEN WAS THE PRINCIPAL; WHEN CONNIE HANSEN WAS NOTIFIED BY NELSON BUNKER HUNT THAT HE HAD PURCHASED THIS NOTE, THEN THAT KNOWLEDGE COULD BE IMPUTED TO GEORGE HANSEN AND THEY WOULD HAVE MADE THEIR CASE.

IT IS ABSOLUTELY CLEAR IN THE DISTRICT OF COLUMBIA AND THE VAST MAJORITY OF JURISDICTIONS THAT THE MERE FACT OF A MARITAL RELATIONSHIP DOES NOT CREATE THAT PRINCIPAL-AGENCY RELATIONSHIP. IT DOESN'T EXIST ANY MORE. THE GOVERNMENT HAS TO ESTABLISH THAT THAT AGENCY-PRINCIPAL RELATIONSHIP EXISTS. IN THIS CASE, THERE IS NO EVIDENCE FROM WHICH THAT CAN BE ESTABLISHED.

EVERY PIECE OF EVIDENCE THE GOVERNMENT HAS INTRODUCED IN THIS CASE GOES TO SHOW, IF ANYTHING, THAT GEORGE HANSEN MAY HAVE ACTED AS AN AGENT FOR CONNIE HANSEN IN SOME OF HER TRANSACTIONS. THERE HAS BEEN NO EVIDENCE THAT CONNIE HANSEN HAS ACTED AS AN AGENT FOR GEORGE HANSEN, AND PARTICULARLY NO EVIDENCE THAT SHE ACTED AS AN AGENT FOR GEORGE HANSEN WITH RESPECT TO THIS DALLAS LOAN. WITHOUT THAT RELATIONSHIP, NO KNOWLEDGE CAN BE IMPUTED TO GEORGE HANSEN ABOUT THE FACT THAT MR. HUNT PURCHASED THIS NOTE. AND I SUBMIT THAT, THEREFORE, WE ARE ENTITLED TO A MOTION FOR A JUDGMENT OF ACQUITTAL ON THAT COUNT. THE GOVERNMENT HAS NOT ESTABLISHED SUFFICIENTLY TO ALLOW ANY REASONABLE JUROR TO DRAW A FAIR CONCLUSION

BEYOND A REASONABLE DOUBT THAT GEORGE HANSEN KNEW THAT NELSON BUNKER HUNT HAD PURCHASED THIS LOAN WHEN HE FILLED OUT HIS EIGA FORM ON MAY 15TH, 1981.

WITH RESPECT TO THE OTHER COUNTS -- I MIGHT ADD ONE MORE THING ON THAT. I SAID THAT IT'S CLEAR THAT THERE IS NO AGENCY-PRINCIPAL RELATIONSHIP JUST BY THE FACT OF A MARITAL RELATIONSHIP. IT IS ALSO CLEAR UNDER STANDARD PRINCIPLES OF AGENCY LAW THAT THE BURDEN OF PROVING AGENCY IS UPON THE PARTY CLAIMING AGENCY. THE GOVERNMENT HAS TO SHOW A PRINCIPAL-AGENCY RELATIONSHIP TO IMPUTE THAT KNOWLEDGE TO CONGRESSMAN HANSEN. THEY HAVE THE BURDEN OF ESTABLISHING IT, AND THE EVIDENCE IN THIS CASE DOESN'T SUPPORT THAT.

WITH REGARD TO COUNTS 1, 3 AND 4, WE WOULD MOVE FOR A JUDGMENT OF ACQUITTAL ON THE GROUND THAT THERE IS INSUFFICIENT EVIDENCE ON THE SPECIFIC INTENT ELEMENT THAT IS REQUIRED TO FIND A VIOLATION OF 18 USC 1001. AS THE CIRCUIT COURT OF APPEALS FOUND IN UNITED STATES VS. DIGGS AND, INDEED, AS THE GOVERNMENT'S OWN JURY INSTRUCTIONS RECOGNIZE, THE INTENT REQUIRED IN THIS CASE REQUIRES AN INTENT TO DECEIVE SOMEBODY. IN THIS CASE, THERE IS NO DIRECT EVIDENCE OF AN INTENT TO DECEIVE, SO THE GOVERNMENT IS FORCED TO ATTEMPT TO PROVE THAT THERE WAS SOME IMPROPRIETY IN THE DEALINGS THAT WERE NOT REPORTED--THAT WERE ALLEGEDLY NOT REPORTED, SO THAT THEY CAN SHOW THAT THERE WAS A MOTIVE TO CONCEAL THOSE ITEMS.

THEY HAVE TRIED TO DO THAT BY SHOWING THAT NELSON BUNKER HUNT WAS OVERLY GENEROUS TO CONNIE HANSEN, AND THEY'VE TRIED TO DO THAT BY SHOWING THAT MESSRS. MEADE, MCAFEE AND ROGERS WERE SOMEHOW ENGAGED IN COLLUSIVE ACTIVITY WITH CONGRESSMAN HANSEN IN CONNECTION WITH MEETING WITH THE SECRETARY OF THE ARMY. WE SUBMIT THAT THAT EVIDENCE, IF THE COURT LOOKS AT IT IN TOTAL, IS NOT SUFFICIENT TO ESTABLISH THAT ANYTHING WRONG WENT ON THERE THAT WOULD PROVIDE A MOTIVE FOR CONGRESSMAN HANSEN TO CONCEAL THOSE MATTERS.

THE FACT OF SETTING UP THE APPOINTMENT WITH THE SECRETARY OF THE ARMY IS SOMETHING THAT CONGRESSMEN DO EVERY DAY. THAT'S STANDARD. THEY REPRESENT THEIR CONSTITUENTS; THEY REPRESENT PEOPLE WHO COME TO THEM FOR HELP. THERE'S NOTHING WRONG WITH THAT.

AND I BELIEVE THE TESTIMONY ABOUT THE HUNT DEALINGS EQUALLY SHOWS THAT THERE WAS NO EVIDENCE OF IMPROPRIETY, AND CERTAINLY NO EVIDENCE FROM WHICH A REASONABLE JUROR COULD FAIRLY CONCLUDE BEYOND A REASONABLE DOUBT THAT ANYTHING WAS WRONG WITH THOSE TRANSACTIONS.

BUT EVEN IF THIS COURT SHOULD FIND THAT THE GOVERNMENT HAS PRODUCED ENOUGH EVIDENCE OF IMPROPRIETY ON THOSE COUNTS THAT CONGRESSMAN HANSEN MIGHT HAVE HAD A MOTIVE TO CONCEAL AS THE GOVERNMENT'S CASE RESTS, COUNTS 3 AND 4 OF THIS INDICTMENT SHOULD STILL BE DISMISSED, BECAUSE THE ITEMS THAT WERE SUPPOSED TO HAVE BEEN REPORTED UNDER THOSE COUNTS, THERE'S

NO LINK TO WHAT THE GOVERNMENT HAS PROFFERED AS THE MOTIVE. THE GOVERNMENT SAYS THAT COUNTS 3 AND 4, CONGRESSMAN HANSEN DIDN'T REPORT BECAUSE HE WANTED TO CONCEAL HIS WIFE'S DEALING WITH NELSON BUNKER HUNT.

IF HE HAD REPORTED THE ITEMS HE WAS SUPPOSED TO REPORT, ON COUNT 4 HE WOULD HAVE REPORTED A LIABILITY TO THE FIRST NATIONAL BANK OF DALLAS WITH A NUMERICAL -- OR AN ALPHABETICAL LETTER OFF TO THE SIDE OF IT THAT INDICATED THE VALUE OF THAT LOAN. ON COUNT 3, HE WOULD HAVE REPORTED A COMMODITIES OR SILVER TRANSACTION, WITH AN ALPHABETICAL LETTER OFF TO THE SIDE INDICATING THE VALUE. NEITHER ONE OF THOSE REPORTS WOULD HAVE IN ANY WAY INDICATED TO ANYONE THAT CONGRESSMAN HANSEN HAD A RELATIONSHIP WITH NELSON BUNKER HUNT. THEREFORE, THEIR ATTEMPTED LINK BETWEEN THE IMPROPRIETY AND NOT REPORTING SIMPLY DOESN'T EXIST, AND WE CONTEND THAT A MOTION FOR A JUDGMENT OF ACQUITTAL IS WARRANTED.

THE COURT: WHICH COUNSEL? MR. WEINGARTEN?

MR. WEINGARTEN: YOUR HONOR, I WILL RESPOND IN THE ORDER THAT MR. BRAGA MADE HIS ARGUMENTS.

I DIDN'T ANTICIPATE THE ARGUMENT ON COUNT 2, THE ARGUMENT BEING THAT CONGRESSMAN HANSEN DIDN'T KNOW THAT NELSON BUNKER HUNT HAD ASSUMED THE LOAN. I THINK WE CAN RELY ON A GREAT DEAL MORE FOR THAT THAN AN AGENCY. I THINK THE EVIDENCE IS VERY, VERY CLEAR THAT IT WAS GEORGE HANSEN WHO WENT TO BUNKER HUNT FIRST FOR MONEY. IT WAS GEORGE HANSEN

WHO KNEW ABOUT THE SOYBEAN TRANSACTION, BECAUSE THAT'S WHAT HE WAS REQUESTING, OR HE ANTICIPATED SUCH A TRANSACTION. IT WAS GEORGE HANSEN WHO DEALT WITH THE DALLAS BANKER FROM MAY 27TH, 1977, WHEN THE LOAN WAS MADE, FORWARD. CONNIE HANSEN'S ONLY INVOLVEMENT WAS TO SHOW UP IN DALLAS. EVERY CONTACT THEREAFTER, ACCORDING TO SAM HENRY, WAS WITH CONGRESSMAN HANSEN.

I BELIEVE IN THE RECORD IS CORRESPONDENCE FROM SAM HENRY TO GEORGE HANSEN THAT IF THE LOAN IS NOT PAID, BUNKER HUNT WOULD HAVE TO GET INVOLVED -- C.C. TO BUNKER HUNT. I MEAN IT WAS SO APPARENT. THE EVIDENCE IS OVERWHELMING THAT IT WAS GEORGE HANSEN WHO WAS ON TOP OF THIS LOAN.

AND IF THAT WAS NOT ENOUGH, APRIL OF '81, THOSE NOTES WERE BACK-DATED. THE EVIDENCE FROM NELSON BUNKER HUNT IS THAT GEORGE HANSEN PARTICIPATED IN THOSE MEETINGS, AND I THINK YOU CAN INFER FROM THAT THAT HE WAS A PARTICIPANT IN THE BACK-DATING. I THINK THE EVIDENCE IS SIMPLY OVERWHELMING THAT CONGRESSMAN GEORGE HANSEN KNEW BY MAY '81 THAT NELSON BUNKER HUNT HAD ASSUMED THOSE LOANS.

AS FAR AS THE QUESTION OF INTENT FOR THE REST OF THE COUNTS, IT'S OBVIOUS THAT THIS CASE IS A QUESTION OF INTENT. I THINK WE HAVE NO TROUBLE MEETING THE OTHER ELEMENTS OF THIS CRIME. I THINK THE EVIDENCE THAT WE HAVE OFFERED IN OUR CASE-IN-CHIEF MAKES IT VERY CLEAR THAT THE DEFENDANT TOOK GREAT CARE TO HIDE VERY SUSPICIOUS AND POTENTIALLY EMBARRASSING

TRANSACTIONS BY NOT REPORTING THEM ON HIS FINANCIAL DISCLOSURE STATEMENT.

AS FAR AS COUNTS 3 AND 4, NOT MAKING IT AXIOMATIC TO SOME INVESTIGATIVE REPORTER OR FBI AGENT THAT CONGRESSMAN GEORGE HANSEN WAS INVOLVED WITH NELSON BUNKER HUNT, I THINK THAT'S AN UNDERSTATEMENT OF THE SKILLS OF PEOPLE WHO LOOK AT THESE SORTS OF THINGS. I THINK WHAT'S CLEAR IS THAT THERE WERE, IN FACT, VERY SUSPICIOUS TRANSACTIONS, AND WHAT'S CLEAR IS THAT THEY WEREN'T REPORTED. AND I THINK AT THE VERY LEAST, WE HAVE MET OUR RULE 29 BURDEN.

THE COURT: MR. BRAGA?

MR. BRAGA: YOUR HONOR, IF I COULD JUST MAKE TWO BRIEF POINTS.

MR. WEINGARTEN SAYS THAT MR. HUNT TESTIFIED THAT GEORGE HANSEN PARTICIPATED IN THE MEETINGS THAT HIS ATTORNEY HAD UP IN WASHINGTON. I BELIEVE IF YOU LOOK AT THE TRANSCRIPTS, YOU WILL SEE THAT MR. HUNT DIDN'T TESTIFY TO ANY SUCH THING. HE DIDN'T KNOW; HE WASN'T THERE.

AND AS FAR AS THE LETTER FROM SAM HENRY THAT MR. WEINGARTEN REFERRED TO, IT'S IN EVIDENCE, IT'S A MARCH 18TH, 1980, LETTER FROM SAM HENRY TO MR. AND MRS. HANSEN. AND IT DOES REQUEST PAYMENT ON THE NOTE. BUT THE LAST PARAGRAPH OF THAT NOTE DOES NOT SAY IF IT'S NOT PAID, THAT NELSON BUNKER HUNT IS GOING TO PURCHASE IT. IT SAYS IF IT'S NOT PAID, IT IS GOING TO BE TURNED OVER TO THE BANK'S ATTORNEYS

FOR COLLECTION.

THE COURT: ALL RIGHT.

PRIOR TO THE IMPANELING OF THE JURY, I RULED ON THE ELEMENT OF MATERIALITY UNDER 18 USC 1001 AS A MATTER OF LAW AND TOLD THE COUNSEL JUST BEFORE THE GOVERNMENT RESTED THAT I WAS REITERATING THAT RULING, WHICH I NOW AM. ONE ESSENTIAL ELEMENT OF THE OFFENSE DEFINED BY 18 USC 1001, THE STATUTE WHICH THE DEFENDANT IS CHARGED TO HAVE VIOLATED IN THIS CASE, REQUIRES MATERIALITY. AND THAT IS THAT ANY FACT THAT IS FALSIFIED, CONCEALED, OR COVERED UP, OR ANY STATEMENT OR REPRESENTATION WHICH IS FALSE, FICTITIOUS OR FRAUDULENT, BE MATERIAL.

THAT QUESTION, EARLIER DECIDED IN FAVOR OF THE GOVERNMENT, HAS, UPON REVIEW AND REFLECTION AND EXAMINATION OF THE RECORDS AT THIS TIME DURING THE GOVERNMENT'S CASE-IN-CHIEF, BEEN REITERATED, AND AGAIN IT IS BEING DECIDED IN FAVOR OF THE GOVERNMENT.

THE MATERIAL FALSE STATEMENT IS ONE, OF COURSE, THAT HAS A TENDENCY TO INFLUENCE, OR IS CAPABLE OF INFLUENCING THE DECISION OF THE TRIBUNAL, IN THIS INSTANCE THE CONGRESS, IN MAKING THE DETERMINATION. AND THE FALSE STATEMENT MUST SIMPLY HAVE THE CAPACITY TO PERVERT THE FUNCTIONING OF A GOVERNMENT AGENCY.

AS WE KNOW FROM THE DOCUMENTATION THAT WAS PRESENTED BEFORE THE COURT EARLIER ON, THE CLERK OF THE HOUSE OF

REPRESENTATIVES IS OBLIGATED TO MAKE THESE CONGRESSIONAL FINANCIAL DISCLOSURE STATEMENTS AVAILABLE TO THE PUBLIC A SHORT PERIOD OF TIME, I BELIEVE IT IS 15 DAYS, AFTER THEY ARE RECEIVED, AND THEY ARE DUE ON OR BEFORE THE 15TH OF MAY OF EACH AND EVERY YEAR. THE CLERK IS ALSO OBLIGATED TO SEND THESE REPORTS TO THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT FOR ITS REVIEW, AND THE STANDARDS COMMITTEE IS TO DETERMINE WHETHER THE REPORTS HAVE BEEN FILED IN A TIMELY MANNER, IF THEY ARE COMPLETE, AND IF THEY ARE IN PROPER FORM. AND IF THERE IS NO REPORT, THEN THE COMMITTEE DIRECTS THE INDIVIDUAL WHO SHOULD HAVE RESPONDED TO TAKE NECESSARY CORRECTIVE ACTION.

AND THE MEMBERS OF THE HOUSE OF REPRESENTATIVES ARE ADVISED THROUGH THE COMMITTEE'S MANUAL OF THE SPECIFICS AS TO HOW THEY ARE TO FILL OUT THEIR FORM. THE HOUSE RULES, ACCORDING TO WHAT WE HAVE HEARD IN THIS CASE AND THE DOCUMENTATION, PLACES THE RESPONSIBILITY OF THE HOUSE TO DISCIPLINE ITS OWN MEMBERS IN THE COMMITTEE ON THE STANDARDS OF OFFICIAL CONDUCT. AND THE DEFENSE, ITSELF, HAS SAID IN ITS BRIEF CONCERNING THE MOTION TO DISMISS THAT THIS MONITORING HAS TO DO WITH THE DETERENCE OF THE CONFLICTS OF INTEREST AND THE OTHER FORMS OF ALLEGEDLY UNETHICAL CONDUCT BY MEMBERS OF THE HOUSE, AND THIS IS ACCOMPLISHED BOTH DIRECTLY BY A REVIEW OF THE FINANCIAL DISCLOSURE FORMS THEMSELVES BY THAT COMMITTEE ON THE STANDARDS OF OFFICIAL CONDUCT AND ALSO, INDIRECTLY, BY THE REVIEW OF THOSE REPORTS BY THE MEMBERS OF PUBLIC WHO HAVE THE OPPORTUNITY TO HAVE ACCESS TO THOSE FINANCIAL DISCLOSURE FORMS, AND THEN UPON REVIEW AND ACCESS, CAN FILE COMPLAINTS, IF A MEMBER OF THE PUBLIC SO WISHES, WITH THAT COMMITTEE UNDER PROCEDURES THAT HAVE BEEN ESTABLISHED IN THE HOUSE RULES.

THOSE FINANCIAL DISCLOSURE REPORTS SUBMITTED BY CONGRESSMAN HANSEN IN THIS CASE, IF FALSE, HAVE THE CAPACITY OF INFLUENCING THE WORK OF THE STANDARDS COMMITTEE AND, THEREBY, THE CONGRESS ITSELF. SO THE ELEMENT OF MATERIALITY IS FOUND AGAIN AS A MATTER OF LAW.

AS TO THE MOTION FOR JUDGMENT OF ACQUITTAL AS TO EACH OF THE FOUR COUNTS, THE EVIDENCE IS SUFFICIENT ON ALL OF THOSE COUNTS TO SUSTAIN A CONVICTION AND TO ALLOW ANY REASONABLE JUROR TO FAIRLY CONCLUDE GUILT BEYOND A REASONABLE DOUBT. THE MOTION FOR JUDGMENT OF ACQUITTAL AS TO EACH OF THE FOUR COUNTS IS DENIED, AND IT IS UP TO THE DEFENSE TO CHOOSE WHETHER OR NOT IT WISHES TO GO FORWARD.

MR. LEWIN, I TAKE IT THAT YOU WILL BE GOING FORWARD, AS YOU HAVE EARLIER INDICATED TO US.

MR. LEWIN: YES, YOUR HONOR. WE WILL PROCEED.

THE COURT: ALL RIGHT. NOW, THE GOVERNMENT HAS SAID -- AND I REALIZE THE JURY IS STILL WAITING FOR OUR ATTENTION. THE GOVERNMENT HAD SAID EARLIER THAT IT WISHED US TO TAKE UP AT AN EARLY TIME -- AND THIS MAY BE THE TIME --

SOME OF THE EXHIBITS THAT THE DEFENDANT HAS PROPOSED THAT WILL SUBSEQUENTLY BE OFFERED FOR ADMISSION IN THIS CASE AND SEE IF WE CAN RULE UPON THEM WITHOUT THE BENEFIT OF ANY TESTIMONY AT THIS TIME.

LET ME HEAR WHICH ONES YOU HAVE IN MIND, MR. WEINGARIEN, NOW THAT WE ALL ARE SUPPLIED WITH THE DEFENDANT'S EXHIBIT LIST, AND SEE IF WE CAN RULE UPON THESE WITHOUT HAVING THE BENEFIT OF CORRELATIVE TESTIMONY.

MR. WEINGARTEN: I THINK THE MOST EXPEDITIOUS WAY FOR ME TO PROCEED WOULD BE AS FOLLOWS: I BELIEVE I CAN SEPARATE THE EXHIBITS INTO THREE CATEGORIES. THE FIRST WOULD BE CORRESPONDENCE IN 1977 AND 1978 BETWEEN CONGRESSMAN HANSEN AND/OR HIS REPRESENTATIVES AND OTHER MEMBERS OF CONGRESS OR THE FEDERAL ELECTION COMMISSION RELATING TO SOLICITING MONIES AND RESULTS THEREBY.

WE OBJECT TO ALL EVIDENCE FROM CONGRESSMAN HANSEN AND HIS REPRESENTATIVES TO OTHER OFFICIALS. WE DO NOT OBJECT TO THE RESPONSES CONGRESSMAN HANSEN MAY HAVE RECEIVED. OUR PURPOSE IN OBJECTING TO THE FIRST RATHER THAN THE SECOND IS WE BELIEVE THAT IT CONTAINS NOTHING BUT SELF-SERVING HEARSAY; THAT IT'S EITHER WHOLLY IRRELEVANT, OR IF RELEVANT IN PART, CONTAINS EXTREMELY PREJUDICIAL MATERIAL THAT CAN ONLY SERVE TO PREJUDICE THE JURY ONE WAY OR THE OTHER, AND HAS NOTHING TO DO WITH THE ISSUES PRESENTLY BEING TRIED.

PERHAPS THE OTHER EVIDENCE, THE EVIDENCE THAT

CONGRESSMAN HANSEN MAY HAVE RECEIVED FROM THE F.E.C. OR CERTAIN MEMBERS OF CONGRESS COULD BE IN THE SAME CATEGORY, BUT WE DON'T HAVE THE SAME OBJECTION BECAUSE THERE IS NOT THIS ELEMENT OF SELF-SERVING HEARSAY CONTAINED IN THOSE DOCUMENTS.

THE SECOND MAJOR CATEGORY OF OBJECTION WE HAVE IS THE MATERIALS FROM THE ASSOCIATION OF CONCERNED TAXPAYERS. I DON'T THINK THERE'S A DISPUTE IN THIS CASE THAT THERE'S SUCH AN ORGANIZATION. I THINK THE ISSUE IN THIS CASE IS WHETHER OR NOT THE MONIES FROM THE VIRGINIA PEOPLE WENT INTO THAT ORGANIZATION. I THINK THE MATERIALS THEMSELVES ARE IRRELEVANT. I THINK THEY WOULD RAISE ISSUES WHOLLY IRRELEVANT TO WHAT'S BEING TRIED HERE, AND FOR THAT REASON, WE WOULD OBJECT.

IN ADDITION, THERE ARE SOME TAX BILLS, I GUESS, LEGISLATION AUTHORED BY CONGRESSMAN HANSEN THAT THEY WILL SEEK TO INTRODUCE. IF IN FACT HE IS PERMITTED TO DO THAT, I WOULD ASK THAT HE WAIVE ALL RIGHTS HE HAS UNDER THE SPEECH OR DEBATE CLAUSE BECAUSE, FRANKLY, WE HAVE SOME LEGISLATION OFFERED BY CONGRESSMAN HANSEN THAT WE WOULD LIKE TO INTRODUCE AS WELL, AND WE WOULDN'T DARE INTRODUCE IT BECAUSE OF THE SPEECH OR DEBATE CLAUSE.

I THINK WHAT'S GOOD FOR THE GOOSE IN THIS INSTANCE IS GOOD FOR THE GANDER -- AND I SUPPOSE THAT'S A RATHER TRITE EXPRESSION THIS EARLY IN THE MORNING.

THE COURT: EVEN LATE IN THE MORNING.

MR. WEINGARTEN: YES. I'M SORRY.

FINALLY, WE NOTE THAT THERE ARE SOME MEMOS FROM IVAN IRWIN TO HIS FILE THAT I GUESS ARE GOING TO BE OFFERED IMMEDIATELY WHEN IVAN IRWIN TAKES THE STAND. THESE ARE REPORTS THAT A LAWYER MADE TO HIMSELF. WE ARE GOING TO OBJECT TO THOSE. THOSE ARE ALSO HEARSAY; THEY ARE SELF-SERVING. IVAN IRWIN IS GOING TO TESTIFY. HE HAD A CLEAR RECOLLECTION ABOUT THESE EVENTS WHEN HE TESTIFIED IN THE GRAND JURY. I DARESAY HE PROBABLY KNOWS THE CASE BETTER THAN I DO. I DON'T THINK THESE DOCUMENTS ARE NECESSARY, AND WILL BE OBJECTED TO.

THE COURT: CAN WE TAKE THEM UP, IF POSSIBLE, MR. LEWIN, BY THE CATEGORIES MORE OR LESS AS THE GOVERNMENT HAS PROPOSED THEM?

MR. LEWIN: CERTAINLY, YOUR HONOR.

THE COURT: AND PLEASE KEEP IN MIND, GENTLEMEN, THAT YOU'VE SEEN THESE PIECES OF MATERIAL, OR SOME OF THEM, IN ANY EVENT, AND THE COURT HAS NOT. SO I HAVE TO DRAW ANY OF MY INFORMATION IN RULING SOLELY FROM WHAT IS BEING ARGUED OUT THERE.

MR. LEWIN: CERTAINLY.

WITH REGARD TO THE FIRST CATEGORY, YOUR HONOR, THE DEFENSE -- AND IT HAS BEEN PLAIN TO THE GOVERNMENT FROM THE INITIAL -- EVEN THE ORIGINAL INTERVIEW THEY HAD WITH CONGRESSMAN HANSEN AND WITH MRS. HANSEN -- IS SIMPLY THAT WHAT HAPPENED WITH REGARD TO THE ETHICS IN GOVERNMENT ACT FORMS IS A CONTINUATION OF A PRACTICE WHICH CONGRESSMAN HANSEN

WAS REQUIRED TO ADOPT BACK IN 1977, WHEN HE ENTERED INTO A SEPARATION OF PROPERTY AGREEMENT, AND THAT WHAT HE DID UNDER THE ETHICS IN GOVERNMENT ACT FOLLOWED PRECISELY IN THE HISTORY -- IN ACCORDANCE WITH THAT PAST HISTORY. IT IS ESSENTIAL IN THAT REGARD TO DEMONSTRATE WHAT HIS CORRESPONDENCE WAS AT THAT TIME WITH THE HOUSE ETHICS COMMITTEE ON THIS PARTICULAR QUESTION, ON THE QUESTION OF SEPARATION OF PROPERTY AND HOW HIS WIFE'S INCOME AND LIABILITIES ARE TO BE TREATED. AND THE CORRESPONDENCE RELATES TO THAT. THAT'S EXACTLY -- IT WAS A MATTER OF PUBLIC RECORD. IT WAS FILED WITH THE HOUSE ETHICS COMMITTEE AT THE TIME. IT RECEIVED ENORMOUS PUBLICITY IN IDAHO, ABOUT WHAT HE WAS SAYING TO THE HOUSE ETHICS COMMITTEE. IT WAS WELL KNOWN IN THE HOUSE; IT WAS WELL KNOWN IN IDAHO. AND THAT IS THE BASIS FOR HIS HAVING TAKEN THE POSITION HE DID CONSISTENTLY WHEN THE ETHICS IN GOVERNMENT ACT WAS ENACTED AND THEREAFTER DURING THE FOUR YEARS COVERED BY THIS INDICTMENT.

IF WE ARE NOT PERMITTED TO SHOW THE CORRESPONDENCE THAT HE WROTE TO THE HOUSE ETHICS COMMITTEE, WHICH WAS A MATTER OF PUBLIC RECORD, BUT ONLY WHAT THE HOUSE ETHICS COMMITTEE SAID BACK TO HIM, THE JURY IS TOTALLY DISABLED FROM KNOWING WHAT--ALL THESE THINGS WHICH WERE IN CONGRESSMAN HANSEN'S MIND AT THE TIME THESE ETHICS IN GOVERNMENT ACT FORMS WERE FILLED OUT. SO THEY ARE AT THE HEART, REALLY, OF THE DEFENSE.

THE SECOND CATEGORY OF MATERIALS THAT MR. WEINGARTEN

TALKED ABOUT --

THE COURT: EXCUSE ME. LET ME STOP YOU FOR A MOMENT, IF I MAY, MR. LEWIN, SO WE KNOW WHICH EXHIBITS YOU BELIEVE FALL WITHIN SHALL WE SAY CATEGORY 1, THAT CATEGORY YOU HAVE JUST BEEN ADDRESSING. THEN THERE WON'T BE ANY CONFUSION LATER ON, WHATEVER THE RULING OF THE COURT. ALL RIGHT?

MR. LEWIN: WELL, I DON'T KNOW WHAT -- THE GOVERNMENT, I THINK, IS THE ONE THAT IS OBJECTING, BUT I SUPPOSE THEY ARE TALKING ABOUT EXHIBIT 30, WHICH IS A LETTER FROM GEORGE HANSEN TO THE FEDERAL ELECTION COMMISSION; EXHIBIT 31, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER; THEN EXHIBIT 33, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN FRENZEL; THEN 34, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER; 36, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER; 38, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER; 39, A LETTER FROM CONNIE HANSEN TO CONGRESSMAN PREYER.

THE COURT: IS MRS. HANSEN GOING TO BE HERE TO TESTIFY?

MR. LEWIN: YES, YOUR HONOR.

I GUESS THAT'S WHAT THEY ARE TALKING ABOUT.

THE COURT: NO. 42, CONNIE HANSEN FUND LETTER?

MR. LEWIN: CONNIE HANSEN FUND LETTER, YES.

THE COURT: I ASSUMED SO. ALL RIGHT. I DON'T KNOW WHAT SOME OF THE OTHERS ARE.

ALL RIGHT. THAT WOULD BE AS TO THAT FIRST CATEGORY.

ALL RIGHT. LET'S GO ON WITH THE NEXT MATTER.

MR. LEWIN: 36 -- I'M SORRY, YOUR HONOR. JUST TO CORRECT THAT, I KNEW THERE WAS ANOTHER LETTER. EXHIBIT 36 IS A LETTER FROM CONNIE HANSEN TO CONGRESSMAN PREYER; NOT FROM GEORGE HANSEN.

THE COURT: ALL RIGHT.

MR. LEWIN: I KNEW THERE WERE TWO LETTERS FROM MRS. HANSEN THAT WE WERE INTRODUCING THERE.

SO THOSE ALL RELATE TO WHAT CONGRESSMAN HANSEN AND MRS. HANSEN TOLD THE HOUSE AT THE TIME THAT THIS WHOLE ISSUE FIRST CAME UP IN 1977, PRIOR TO AND CONTEMPORANEOUS WITH THE SEPARATION OF PROPERTY AGREEMENT, AS TO WHICH THERE WILL BE SUBSTANTIAL TESTIMONY, AS WELL.

THAT'S THE DEFENSE. I MEAN THE GOVERNMENT DOESN'T LIKE IT, BUT THAT HAPPENS TO BE THE DEFENSE REGARDING THE STATE OF MIND. AND YOU CAN'T SIMPLY SAY TO A DEFENDANT WHO IS TESTIFYING ABOUT HIS HIS STATE OF MIND: YOU CAN'T INTRODUCE EVIDENCE AS TO WHAT YOU OFFICIALLY AND FORMALLY TOLD THE CONGRESS BACK IN '77 WHEN THIS ISSUE FIRST CAME UP.

AND, AGAIN, THEY WERE NOT SECRET COMMUNICATIONS. THEY WERE PUBLIC DOCUMENTS, PUBLICLY AVAILABLE AND SUBSTANTIALLY REPORTED IN THE PRESS.

AND THE CONNIE HANSEN FUND LETTER, ALSO REPORTED AT THAT TIME AS A RESULT OF ALL THIS, WERE THE ACTIONS THAT WERE TAKEN BY MRS. HANSEN PURSUANT TO WHAT WAS DONE IN 1977

AND THE LEGAL ARRANGEMENTS THAT WERE WORKED OUT IN '77.

THE SECOND CATEGORY OF DOCUMENTS ARE THE MATERIALS FROM THE ASSOCIATION OF CONCERNED TAXPAYERS. NOW, AGAIN, MR. WEINGARTEN HAS BEEN TRYING SINCE THE OUTSET OF THIS --

THE COURT: WELL, NOW, LET'S COME DOWN TO WHAT YOU WISH TO PROVE THROUGH THAT, AND LET'S SEE HOW WE CAN MOVE ON ON THAT ONE.

MR. LEWIN: WHAT WE WISH TO PROVE ABOUT THAT IS PRECISELY THAT THE FUNDS, THE $135,000 WHICH IS THE GOVERNMENT'S ENTIRE CASE ON COUNT 1, WAS UTILIZED BY CONGRESSMAN HANSEN IN FULL FOR THE PAYMENT FOR THE PRINTING AND THE MAILING AND THE DISTRIBUTION OF MATERIALS WHICH CARRY OUT A PROGRAM THAT HE HAD INITIATED AND HAD IN MIND FROM SOMETIME IN 1980 THROUGH THE TIME OF THESE LOANS, THROUGH THE TIME OF THE DISTRIBUTION OF THESE MATERIALS. IT IS, PRECISELY, PROOF TO THE JURY. YOU CAN'T SIMPLY SAY TO THE JURY: LOOK, THE CONGRESSMAN INTENDED TO USE THE MONEY FOR THIS, WITHOUT SHOWING THEM THAT IN FACT IT WAS USED FOR THIS. THESE ARE THE MAILINGS THAT WERE SENT OUT WITH THAT MONEY, YOUR HONOR. THAT'S EXACTLY IT.

IT'S LIKE SAYING, YOU KNOW, YOUR DEFENSE IS THAT YOU BORROWED MONEY FOR A CERTAIN PURPOSE, YOU KNOW, TO BUY STOCKS, BUT WE'RE NEVER GOING TO SHOW THE JURY THE STOCKS THAT YOU BOUGHT.

THE COURT: WHICH OF THE PROPOSED EXHIBITS GOES TO THAT?

MR. LEWIN: WELL, THE EXHIBITS THAT GO TO THAT ARE, I SUPPOSE, EXHIBIT 47 --

THE COURT: THE NEWSLETTER?

MR. LEWIN: THE "ACT" NEWSLETTER.

THE COURT: HOW DOES THAT SUBSTANTIATE?

MR. LEWIN: WELL, THAT SHOWS WHAT "ACT" IS, WHAT THE ASSOCIATION FOR CONCERNED TAXPAYERS IS. THE MONEY WAS USED FOR THE NEWSLETTER. IT GOES TO -- LET'S SEE. WHICH ARE THE OTHER "ACT" MAILINGS? WE DON'T HAVE ON HERE THE "ACT" MAILINGS? OH, THAT'S NOT LISTED ON THERE. I GUESS MR. WEINGARTEN ANTICIPATED, BECAUSE WE HAD GIVEN HIM COPIES. I GUESS WE HAVE NOT PUT IT ON THIS LIST, BUT WE HAVE GIVEN HIM COPIES, AND WE ARE INTENDING TO OFFER THE ONE OR TWO ACTUAL MAILINGS THAT WERE SENT OUT, THE MAILING MATERIALS THAT WERE SENT OUT BY "ACT" TO THIS BROAD MAILING LIST SO THAT THE JURY SEES WHAT WAS DONE WITH THAT MONEY. AND THERE WILL BE TESTIMONY THAT THAT WAS PRECISELY WHAT THAT MONEY WAS USED FOR. CHECKS WILL BE SHOWN, LEDGERS, ACCOUNT STATEMENTS, ALL OF THAT THAT WILL DEMONSTRATE THAT PRECISELY THE MONEY WAS USED FOR THAT. AND THAT IS THE REALISTIC PROOF OF THE FACT THAT THE FUNDS WERE USED FOR IT: THAT WHEN HE WENT TO MR. MCAFEE AND WHEN HE GOT THE LOANS FROM MR. MCAFEE AND FROM MR. MEADE, HE HAD THAT IN MIND, AND THAT'S HOW THE THING WAS ACTUALLY IMPLEMENTED

SO THAT'S THE MATERIALS FROM THE ASSOCIATION OF

CONCERNED --

THE COURT: OTHER THAN EXHIBIT 47, THOSE ARE NOT YET LISTED, AND THERE WILL BE SOME --

MR. LEWIN: THERE WILL BE SOME MORE, WHICH WILL BE "ACT" MAILINGS, YES.

THE COURT: EXCUSE ME. THERE IS SOMETHING -- I JUST TURNED MY PAGE THERE. 71 IS A CHECK TO "ACT" IN THE AMOUNT OF $2500? IS THAT --

MR. LEWIN: I DON'T THINK THAT THEY ARE DISPUTING CHECKS THAT -- I DON'T THINK THEY ARE SAYING WE CAN'T PRODUCE CHECKS FROM THE CONGRESSMAN.

THE COURT: THAT'S NO PROBLEM. I SEE THAT BY THE WAVE OF A HAND. ALL RIGHT.

MR. LEWIN: RIGHT.

THE THIRD CATEGORY IS THE LEGISLATION TO BE INTRODUCED. THE ONLY LEGISLATION THAT WE ARE OFFERING -- AND, YOU KNOW, OFFERED LEGISLATION IS, I THINK, USED BY COURTS EVERY DAY; LEGISLATIVE HISTORY. IN OTHER WORDS, WHAT WE WANT TO DO AND WHAT WE THINK WE ARE ENTITLED TO DO IS OFFER THREE BILLS. THESE ARE ITEMS 43, 44 AND 45, WHICH ARE, AGAIN, PART OF THE PROGRAM THAT THE CONGRESSMAN HAD IN MIND IN 1980, IN 1981, TO REFORM THE TAX LAWS. THEY ARE THOSE BILLS THAT WERE INTRODUCED, AND THE DATES THEY WERE INTRODUCED, TO SHOW THAT IN FACT THAT IS EXACTLY WHAT HE CARRIED OUT. HE OFFERED AND INTRODUCED THOSE BILLS.

WE ARE NOT GOING TO GO INTO QUESTIONING, YOU KNOW, UNDERLYING LEGISLATIVE DISCUSSIONS ABOUT THAT OR ANYTHING LIKE THAT. WE WANT TO OFFER THE BILLS TO SHOW THE JURY THE DATES THE BILLS WERE OFFERED, BECAUSE THEY ARE VERY IMPORTANT WITH REGARD TO THOSE LOANS, BECAUSE THEY ARE SIMULTANEOUS, ALMOST, WITH THE LOANS.

YOU KNOW, THE REASON HE WENT OUT AND GOT THE LOANS AT THAT TIME IS BECAUSE AT THOSE DATES, THIS WHOLE EFFORT WAS REALLY BEING COMPARATIZED, WITH THE SUBMISSION OF THIS LEGISLATION, WITH THE CREATION OF THE "ACT" -- ALL THESE THINGS. THE TIMING OF THEM IS ESSENTIAL.

MR. WEINGARTEN, THE PROSECUTION, HAS TRIED TO DO ABOUT, YOU KNOW, DATES AND HERE AND THAT AND THE OTHER THING. WE WANT TO DEMONSTRATE, AND I THINK WE ARE ENTITLED TO DEMONSTRATE THAT THOSE DATES WERE DATES WHICH WERE AROUND THE TIME WHEN THIS EFFORT WAS BEING LAUNCHED. AND THERE WERE REASONS PRECISELY FOR SEEKING FUNDS AT THAT TIME, WHETHER THE FUNDS WERE USED AT THAT TIME OR NOT. I MEAN THE LAST STIPULATION INDICATES, YOUR HONOR, WE DON'T DISPUTE THE FACT THE FUNDS WERE SOLICITED. IT TURNED OUT THAT THERE WAS A HIATUS BETWEEN THE TIME THAT THEY WERE SOLICITED AND THE TIME THAT THEY ACTUALLY HAD TO BE PAID. BUT THERE WAS EVERY BELIEF AT THE TIME THAT THEY WOULD HAVE TO BE USED PROMPTLY.

AND I THINK WE ARE ENTITLED TO SHOW THAT THE LEGISLATION WAS INTRODUCED AND THAT THINGS WERE GETTING MOVING AT

THAT POINT, AND THAT'S WHY THE CONGRESSMAN HAD TO GO OUT AND SOLICIT THE FUNDS AT THAT TIME.

AND FINALLY, THE MEMOS FROM MR. IRWIN TO HIS FILE. WELL, THAT'S EXTRAORDINARY. I MEAN RULE 803(5), WHICH MR. WEINGARTEN KNEW WELL ENOUGH TO BE CITING TO YOUR HONOR UP THERE AT THE BENCH THE OTHER DAY, WHICH IS CONTEMPORANEOUS RECOLLECTION RECORDED -- THOSE ARE MEMORANDA WHICH MR. IRWIN WILL TESTIFY HE MADE TO HIS FILE AT THE TIME OF THE EVENTS IN QUESTION. HE RECALLS SOME THINGS, BUT THEY CLEARLY RECITE WHAT HAPPENED WITH VERY GREAT PRECISION BECAUSE THEY WERE DONE ON THAT DAY OR THE NEXT DAY. AND THEY ARE THE BEST EVIDENCE OF WHAT ACTUALLY HAPPENED, I SUBMIT, DURING THOSE DAYS.

MR. WEINGARTEN HAS MADE AN ISSUE WITH MR. HUNT: WHAT HAPPENED BETWEEN MARCH 31 AND APRIL 6? WHY DID IT TAKE SIX DAYS TILL THERE WAS THIS MEETING WITH THE ATTORNEY GENERAL? YOU'VE GOT A STEP-BY-STEP DESCRIPTION OF EXACTLY WHAT HAPPENED, EXACTLY WHO WAS THERE, EXACTLY WHAT THEIR REACTIONS WERE TO EVENTS THAT TOOK PLACE THREE YEARS AGO, MARCH OF '81. IT WOULD BE A TRAVESTY IF THE JURY WERE NOT PERMITTED TO SEE THOSE CONTEMPORANEOUS DOCUMENTS WHICH DISCLOSE WHAT HAPPENED AT THE TIME.

THE COURT: LAST FEW WORDS.

MR. WEINGARTEN: YES. AS FAR AS -- RUNNING THROUGH IT AGAIN, THE STATE OF MIND OF SOMEONE IN 1977, WE SUBMIT, WOULD HAVE VERY LITTLE RELEVANCE TO WHAT CONGRESSMAN HANSEN DID IN MAY '79 WHEN HE STARTED FILLING OUT THESE FORMS. BUT IN ADDITION TO THAT, STATE OF MIND EVIDENCE IS NOT SOMEONE SITTING DOWN AND MAKING A RECORD TO BE USED SOMETIME SUBSEQUENT.

WHAT THOSE EXHIBITS REPRESENT ARE A CAREFULLY CRAFTED EFFORT TO PUT DOWN SELF-SERVING INFORMATION THAT COULD BE OF USE LATER. THEY LOOK BACKWARD AT SPECIFIC EVENTS AND RECORD SPECIFIC EVENTS IN AN EFFORT TO USE THEM LATER. THIS IS NOT STATE OF MIND EVIDENCE UNDER THE HEARSAY RULE.

STATE OF MIND IS TO INDICATE WHAT YOU ARE GOING TO DO AT THAT PARTICULAR MOMENT, IF IN FACT THAT'S RELEVANT. WE ARE TALKING ABOUT EVENTS THAT ARE AT LEAST 18 MONTHS PRIOR TO CONGRESSMAN HANSEN FIRST REPORTING UNDER THE EIGA. AND, OF COURSE, IN 1978, THE FACT THAT THE EIGA CHANGED THE RULES AND REGULATIONS IS SOMETHING THAT ALSO BEARS UPON THIS ISSUE.

AS FAR AS THE "ACT" INFORMATION IS CONCERNED, IF YOU WANT TO PROVE THAT YOU PURCHASED A CAR, YOU DON'T HAVE TO BRING THE CAR INTO COURT. THERE ARE OTHER WAYS OF PROVING THAT "ACT" ACTUALLY SENT OUT FLYERS AT A GIVEN PERIOD OF TIME OTHER THAN INTRODUCING THE THINGS THEMSELVES, PARTICULARLY WHEN THEY ARE INFLAMMATORY AND IRRELEVANT. AND CERTAINLY, IF WITNESSES ARE GOING TO TESTIFY TO THOSE EVENTS, THAT INFORMATION CAN BE ELICITED.

AS FAR AS THE BILLS ARE CONCERNED, I MEAN IT'S A CLASSIC SPEECH OR DEBATE PROBLEM. WE WOULD NEVER IN A MILLION YEARS BE ALLOWED TO INTRODUCE IN OUR CASE-IN-CHIEF THE BILLS CONGRESSMAN HANSEN INTRODUCED. I MEAN -- I MEAN I GUESS THE POINT IS CLEAR.

AND FINALLY, IVAN IRWIN, IT'S A LAWYER SITTING DOWN AND MAKING A REPORT THAT HE HOPES WILL BE USEFUL TO HIM LATER. THAT IS NOT 803(5) MATERIAL. THAT IS -- I MEAN I GUESS IF IVAN IRWIN TAKES THE STAND AND SAYS, "I DON'T REMEMBER ANYTHING, OR I NEED THIS TO REFRESH MY RECOLLECTION," THAT MAY BE THE FIRST STEP. BUT CONTAINED IN THOSE DOCUMENTS IS HEARSAY UPON HEARSAY. HE IS REPORTING WHAT OTHER PEOPLE MAY HAVE SAID.

MY GUESS IS WHEN IVAN IRWIN TESTIFIES, HE'S GOING TO HAVE A VERY GOOD RECOLLECTION OF WHAT HAPPENED DURING THOSE DAYS, AND THAT SHOULD BE SUFFICIENT FOR PURPOSES OF THIS TRIAL.

THE COURT: TAKING IT BACKWARDS, THEN, WE WILL SEE HOW IVAN IRWIN'S RECOLLECTION IS AND DETERMINE AT THAT TIME WHETHER OR NOT HE WILL NEED THESE MEMOS IN ORDER TO FORTIFY AND AFFIRM AND SUBSTANTIATE HIS RECOLLECTION AND GIVE HIM MORE DETAIL THAN HE IS ABLE TO RECALL. SO WE CAN'T RULE ON THAT UNTIL WE HEAR MR. IRWIN'S TESTIMONY.

AS TO THE LEGISLATION -- AND I'M WORKING BACKWARDS -- THAT MR. HANSEN HAS OFFERED, I AGREE WITH THE GOVERNMENT

THAT IT WOULD BE INAPPROPRIATE TO ADMIT THESE PIECES OF LEGISLATION IN EVIDENCE DEPENDENT ON THE TESTIMONY THAT HAS BEEN HEARD THUS FAR, BUT -- BUT, COUNSEL CAN REACH A STIPULATION AS TO THE DATES, SINCE MR. LEWIN HAS SAID THAT THAT IS SO ESSENTIAL TO HIS CASE -- THE DATES THAT THESE PIECES OF LEGISLATION WERE OFFERED, THE NUMBER OF THE BILL, AND THE NAME THAT IS GIVEN IN THE CAPTION OF THE BILL, AND NO MORE.

AS TO THE ASSOCIATION FOR CONCERNED TAXPAYERS AND EXHIBITS RELATING TO THAT, THOSE EXHIBITS AS HAVE THUS FAR BEEN IDENTIFIED TO THE COURT WILL BE ADMISSIBLE, OVER GOVERNMENT OBJECTION, IT GOING TO THE THEORY OF DEFENSE IN THIS CASE.

SIMILARLY AS TO THE CORRESPONDENCE BETWEEN MR. HANSEN AND/OR HIS REPRESENTATIVES AND MEMBERS OF CONGRESS AND/OR THE FEDERAL ELECTION COMMISSION, NOT ONLY THE RESPONSES THAT MR. HANSEN RECEIVED WILL BE ADMISSIBLE, BUT ALSO MR. HANSEN'S CORRESPONDENCE TO THOSE HE ADDRESSES, SO THAT THEY CAN BE SEEN TOGETHER AS A PACKAGE, AND WHATEVER IS TO BE DERIVED FROM THAT CAN BE DERIVED AS A COLLECTIVE MATTER.

ALL RIGHT, GENTLEMEN. LET US HAVE ABOUT A HALF AN HOUR OF TESTIMONY BEFORE WE TAKE OUR LUNCHTIME RECESS TODAY. LET US BEGIN WITH THE JURY. YOU ALREADY MADE, IF MY MEMORY IS CLEAR, MR. LEWIN, AN OPENING STATEMENT AT THE COMMENCEMENT OF THE CASE, SO WE ARE GOING RIGHT INTO THE HEART OF TESTIMONY; RIGHT?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: ALL RIGHT. CAN WE HAVE THE JURY.

(THE JURY RETURNED TO THE COURTROOM AT 11:43 A.M.)

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WHILE YOU HAVE BEEN RESTING, WE HAVE RULED ON CERTAIN MOTIONS AND DISCUSSED THE ADMISSIBILITY OR LACK OF IT AS TO SOME EXHIBITS, SO WE THINK WE CAN MOVE ALONG A LITTLE MORE QUICKLY NOW. AND WE WILL BEGIN WITH THE TESTIMONY ON BEHALF OF THE DEFENSE.

MR. LEWIN.

MR. LEWIN: YOUR HONOR, THE DEFENSE CALLS IVAN IRWIN.

THE COURT: ALL RIGHT.

INCIDENTALLY, MR. LEWIN, DO I HAVE A COMPLETE LIST OF THOSE PERSONS INTENDED TO BE CALLED WHICH I WAS GIVEN AT THE OUTSET OF THE CASE?

MR. LEWIN: NO, YOUR HONOR. I THINK WE WILL PROVIDE A LIST AT LUNCH.

THE COURT: VERY GOOD.

IVAN IRWIN, JR.

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING, MR. IRWIN.

THE WITNESS: GOOD MORNING, YOUR HONOR.

DIRECT EXAMINATION

BY MR. LEWIN:

Q GOOD MORNING, MR. IRWIN. COULD YOU PLEASE STATE

YOUR NAME FOR THE COURT REPORTER?

A IVAN IRWIN, JR.

Q AND, MR. IRWIN, WHERE DO YOU RESIDE?

A IN DALLAS, TEXAS.

Q AND HOW ARE YOU EMPLOYED?

A I AM AN ATTORNEY.

Q AND SINCE WHEN HAVE YOU BEEN A MEMBER OF THE BAR?

A SINCE 1957.

Q AND WHAT FIRM ARE YOU WITH?

A THE FIRM OF SHANK, IRWIN & CONANT.

Q MR. IRWIN, DO YOU NUMBER AMONG YOUR CLIENTS ONE NELSON BUNKER HUNT?

A YES, SIR.

Q AND HAVE YOU BEEN REPRESENTING MR. HUNT FOR SOME PERIOD OF TIME?

A YES, SIR.

Q SINCE APPROXIMATELY WHEN?

A ALL OF HIS ADULT LIFE, THE FIRM HAS.

Q AND WITH REGARD TO THE FIRM'S PRACTICE, ARE YOU THE PRINCIPAL ATTORNEY WHO ADVISES HIM?

A I AM ONE OF PROBABLY THREE OR FOUR PRINCIPAL ATTORNEYS IN THE FIRM WHO ADVISES HIM.

Q MR. IRWIN, LET ME DIRECT YOUR ATTENTION BACK TO THE DATE OF MARCH 31, 1981. AND LET ME ASK YOU IN THAT REGARD WHETHER YOU RECALL ANY EVENTS OF THAT DAY RELATING

TO THE RECEIPT BY MR. HUNT OF A LETTER ON THAT DAY.

A I DO RECALL EVENTS.

Q IN RECALLING THOSE EVENTS, HAVE YOU IN THE PAST MADE REFERENCE IN ANY WAY TO ANY NOTES THAT YOU HAD TAKEN AT THE TIME?

A I TOOK NOTES AT THE TIME WHICH I DICTATED TO THE FILE IN THE FORM OF MEMORANDA, AND I HAVE REVIEWED THOSE.

Q YOU SAY YOU DICTATED TO THE FILE. DID YOU DICTATE THEM ON ABOUT THE DAYS IN QUESTION?

A YES, SIR.

Q ON THE DAY THE EVENTS OCCURRED, OR A DAY THEREAFTER?

A YES, SIR.

Q AND IS IT YOUR USUAL PRACTICE TO DO THAT WITH REGARD TO MATTERS IN YOUR PROFESSION?

A YES, SIR.

Q THE MATTERS THAT BEGIN WITH MAY 31 OF 1981 HAVE, HAVE THEY NOT, BEEN A SUBJECT OF INQUIRY ALMOST EVER SINCE THAT DATE?

A YES, SIR.

Q AND HAVE YOU HAD OCCASION DURING THAT PERIOD OF TIME TO REREAD THOSE MEMORANDA OF YOURS?

A YES, SIR.

Q LET ME ASK YOU, MR. IRWIN, WHETHER IF NOT FOR THE REREADING OF THOSE MEMORANDA, WOULD YOUR RECOLLECTION BE PERFECT WITH REGARD TO ALL THE EVENTS THAT OCCURRED AT THAT

TIME?

A I THINK THE REREADING OF THE MEMORANDA WAS HELPFUL, ALTHOUGH I MUST SAY I HAVE A PRETTY GOOD MEMORY WITHOUT REFERENCE TO THE MEMOS.

Q O.K. BUT DID YOU, FOR EXAMPLE, REREAD THE MEMORANDA BEFORE YOU DISCUSSED THESE MATTERS WITH ANY FBI AGENTS OR GOVERNMENT COUNSEL WHO INTERROGATED YOU ABOUT THEM?

A NO, SIR. I REALLY DIDN'T REREAD THOSE MEMORANDA UNTIL LAST WEEK.

Q O.K. WELL, LET ME ASK YOU, THEN, FIRST, TO DESCRIBE FOR US WHAT YOU RECALL HAPPENED ON MARCH 31, 1981.

A YES, SIR.

YOUR HONOR, MAY THE RECORD REFLECT THAT MR. HUNT -- AND I REPRESENT TO THE COURT THAT MR. HUNT HAS CONTINUOUSLY WAIVED ANY ATTORNEY-CLIENT PRIVILEGE, SO THAT I AM FREE TO TESTIFY TO THESE MATTERS?

THE COURT: IT WAS A QUESTION I WAS ABOUT TO ADDRESS TO YOU IF NO ONE ELSE DID.

THE WITNESS: ALL RIGHT. THANK YOU, YOUR HONOR.

THE COURT: YOU HAVE CLEARLY AND UNEQUIVOCALLY DISCUSSED THIS MATTER WITH YOUR CLIENT, MR. NELSON BUNKER HUNT, AND HE HAS CLEARLY AND UNEQUIVOCALLY ALLOWED YOU TO SPEAK TO ANY MATTERS THAT ARE GOING TO BE ADDRESSED TO YOU BY EITHER COUNSEL HERE IN CONNECTION WITH THIS CASE?

THE WITNESS: ABSOLUTELY, YOUR HONOR.

THE COURT: AND HE HAS WAIVED ANY PRIVILEGE THAT HE MIGHT HAVE HAD IN THAT CONNECTION?

THE WITNESS: THAT'S CORRECT, YOUR HONOR.

MR. LEWIN: I BELIEVE, YOUR HONOR, JUST TO REMIND YOU IN THAT REGARD, I THINK MR. HUNT ON THE WITNESS STAND TESTIFIED THAT HE HAD WAIVED THE PRIVILEGE --

BY MR. LEWIN:

Q YOU HAVE TESTIFIED BEFORE THE GRAND JURY, I UNDERSTAND; HAVE YOU NOT?

A YES, SIR.

Q AND YOU ANSWERED QUESTIONS THAT FBI AGENTS ASKED YOU ABOUT.

A YES, SIR.

Q AND PRIOR TO ALL THOSE INQUIRIES, MR. HUNT HAD AUTHORIZED YOU TO ANSWER THOSE QUESTIONS; IS THAT CORRECT?

A YES, THAT'S CORRECT.

Q ALL RIGHT. SO, NOW, PLEASE TELL US WHAT YOU RECALL HAPPENED ON MARCH 31, 1981.

A MIDAFTERNOON, I RECEIVED A TELEPHONE CALL FROM MR. HUNT, WHO ASKED ME TO COME TO HIS OFFICE.

THE COURT: EXCUSE ME. THIS IS MARCH 31?

THE WITNESS: MARCH 31, 1981.

THE COURT: ALL RIGHT.

THE WITNESS: MR. HUNT GAVE ME A DETAILED NARRATIVE OF HIS ACQUAINTANCE WITH CONGRESSMAN HANSEN AND MRS. HANSEN, FOLLOWING WHICH HE HANDED ME AN ENVELOPE WHICH CONTAINED A LETTER, WHICH I READ, WHICH SUBSEQUENTLY I UNDERSTAND WAS THE BASIS FOR THE CONVICTION OF THE AUTHOR OF THAT LETTER. IT WAS THE BLACKMAIL LETTER.

MR. HUNT ASKED ME WHAT I THOUGHT HE SHOULD DO ABOUT IT. I RECOMMENDED THAT THE BLACKMAIL ATTEMPT BE TURNED OVER TO THE FEDERAL BUREAU OF INVESTIGATION IN VIEW OF WHAT I CONSIDERED TO BE THE COMPLETELY EXTORTIONATE CHARACTER OF THAT LETTER. MR. HUNT AGREED WITH THAT RECOMMENDATION.

MR. HUNT DID STATE THAT HE THOUGHT WE NEEDED TO GET THE RECORDS TOGETHER AT OUR END TO PROVE THAT THE ALLEGATIONS WERE ABSOLUTELY FALSE. HE TOLD ME THAT HE GOT A LOT OF MAIL FROM CRACKPOTS AND THAT THIS COULD BE A CRACKPOT TYPE LETTER.

WE ALSO HAD SOME DISCUSSION AS TO THE DATE. THE DATE WAS MARCH 31, 1981, WHICH WAS THE DAY BEFORE APRIL FOOLS' DAY, AND HE THOUGHT THIS MIGHT BE AN APRIL FOOLS' PRANK; AND HE DISCUSSED A PRIOR SITUATION WHERE HE HAD RECEIVED THROUGH THE MAILS AN APRIL FOOLS' PRANK, SO HE HAD SOME QUESTION ABOUT THE LEGITIMACY OF THE LETTER. BUT, YOU KNOW, HE SAID YOU CAN DO WITH IT WHAT YOU WANT. IF I THOUGHT IT WAS APPROPRIATE TO TURN THE LETTER AND THE ADDITIONAL INFORMATION WHICH HE FELT WE NEEDED OVER TO THE AUTHORITIES, THEN HE AGREED WITH THAT RECOMMENDATION.

BY MR. LEWIN:

Q DID YOU DO ANYTHING ELSE ON MARCH 31?

A I SUGGESTED -- I BELIEVE MR. HUNT SUGGESTED THAT I TAKE THE LETTER TO TOM WHITAKER, WHO IS AN ADMINISTRATIVE SECURITY EMPLOYEE OF THE HUNT FAMILY, A FORMER MEMBER OF THE FEDERAL BUREAU OF INVESTIGATION AND A FORMER PRIVATE INVESTIGATOR, TO SEE WHAT HE THOUGHT SHOULD BE DONE WITH THE LETTER.

I TOOK THE LETTER TO MR. WHITAKER. HE FELT THAT IT SHOULD BE CAREFULLY PRESERVED AND NOT HANDLED ANY FURTHER, BECAUSE THE FBI MIGHT WANT TO CHECK FOR FINGERPRINTS ON THE LETTER. HE PUT THE LETTER BETWEEN TWO PIECES OF CELLOPHANE AND TOOK POSSESSION OF THE LETTER.

MR. HUNT SUGGESTED THAT SINCE CONGRESSMAN HANSEN WAS MENTIONED IN THE BLACKMAIL LETTER, THAT HE SHOULD BE MADE AWARE OF THIS. HE HAD HIS SECRETARY CALL MRS. HANSEN, AND MR. HANSEN GOT ON THE LINE. THERE WAS NO DISCUSSION AS TO THE CONTENT OF THE LETTER, OR REALLY EVEN THE SUBJECT MATTER, EXCEPT THAT MR. HUNT SAID THAT HE HAD AN IMPORTANT MATTER, THAT I'D BEEN AN ATTORNEY FOR HIM FOR A NUMBER OF YEARS, THAT HE WANTED ME TO DISCUSS THIS WITH THEM FACE TO FACE. WE BEGAN CHECKING CALENDARS. IT TURNED OUT THE FASTEST MEETING WE COULD SET UP WAS AT 2:00 O'CLOCK THE NEXT DAY, WHICH WOULD HAVE BEEN APRIL FOOLS' DAY, APRIL 1. AND WE MADE ARRANGEMENTS FOR THAT TO TAKE PLACE IN WASHINGTON.

Q O.K. LET ME RETURN TO THAT FOR A MOMENT. MR. HUNT ASKED YOU TO CALL CONGRESSMAN HANSEN OR MRS. HANSEN?

A NO. HE ACTUALLY ASKED HIS SECRETARY TO PLACE THE CALL. I THINK HE INSTRUCTED LOIS SNOW, YOU KNOW, PLEASE GET MRS. HANSEN ON THE LINE.

Q IT WAS MRS. HANSEN HE WAS TRYING TO CALL?

A I THINK THAT'S RIGHT. ALTHOUGH I DO REMEMBER THAT CONGRESSMAN HANSEN CAME ON THE LINE. I DON'T KNOW WHETHER IT WAS MORE THAN ONE TELEPHONE OR A SPEAKER AT THEIR END. I'M NOT SURE. BUT WE WERE ON A SPEAKER IN BUNKER'S OFFICE -- MR. HUNT'S OFFICE. I DO REMEMBER THAT.

Q DID MR. HUNT ALSO IN THE INITIAL DISCUSSIONS DISCUSS WITH YOU WHAT HIS RELATIONSHIP HAD BEEN WITH MRS. HANSEN PRIOR TO THAT TIME?

A YES, SIR.

Q AND COULD YOU TELL THE COURT AND JURY WHAT IT IS HE TOLD YOU?

A MR. HUNT SAID THAT HE HAD MET CONGRESSMAN HANSEN AND HIS WIFE SOME FIVE OR SIX YEARS BEFORE AT A POLITICAL FUND-RAISING AFFAIR, PROBABLY IN WASHINGTON, AND HAD MET THEM ON SIMILAR OCCASIONS AFTER THAT. HE SAID THAT CONGRESSMAN HANSEN WAS VERY UP-FRONT ABOUT HAVING FINANCIAL DIFFICULTIES AS A RESULT OF SOME ALLEGATIONS WHICH HAD BEEN MADE AGAINST HIM BY WAYNE HAYS, AND PERHAPS BY THE INTERNAL REVENUE SERVICE, AFTER CONGRESSMAN HANSEN HAD UNSEATED AN INCUMBENT REPRESENTATIVE FROM IDAHO. MR. HUNT SAID THAT CONGRESSMAN HANSEN NEEDED SOME CONTRIBUTIONS TO PAY OFF THESE DEBTS, OR DEBTS THAT HAD

RESULTED FROM DEFENDING HIMSELF --

THE COURT: EXCUSE ME, SIR.

WOULD COUNSEL COME UP HERE FOR A MOMENT?

(AT THE BENCH)

THE COURT: I THINK YOUR WITNESS IS ABOUT TO TALK ABOUT THE CONVICTION.

MR. LEWIN: I DON'T THINK SO.

THE COURT: WELL, I DON'T KNOW. I ALMOST DIDN'T DO IT IN TIME, BUT HE STARTED TO SAY "DEFENDING HIMSELF." BUT HE IS STARTING TO EXPLORE A MATTER THAT I THINK IS FRAUGHT WITH GREAT DANGER. OF COURSE, YOU PUT HIM ON AS THE WITNESS, BUT NONETHELESS, I AM VERY MUCH CONCERNED THAT HE MAY NOT KNOW THAT WE HAVE EXCLUDED THAT REFERENCE TO THE JURY. AND I THINK WE ARE GOING TO HAVE TO BRING HIM UP HERE AND TELL HIM NOT TO MAKE ANY MENTION, UNLESS YOU WANT IT BROUGHT FORWARD, MR. LEWIN, WHICH I SUGGEST YOU DO NOT.

MR. LEWIN: NO, I DO NOT.

THE COURT: I THINK AFTER MY RULING YOU WERE COMFORTABLE, IN THAT YOU DO NOT WANT IT IN THE RECORD.

MR. LEWIN: THAT IS TRUE.

MR. WEINGARTEN: THERE ARE TWO THINGS SINCE WE ARE UP HERE. ONE--I HAVEN'T MADE AN OBJECTION. I WONDER HOW LONG THIS IS GOING TO GO ON. THIS IS OBVIOUSLY PURE HEARSAY. THIS IS WHAT BUNKER HUNT IS TELLING HIM. I'M JUST WONDERING WHAT EXCEPTION MAKES THIS ADMISSIBLE. THAT'S NUMBER ONE.

NUMBER TWO, I SAID IT BEFORE, BUT JUST FOR THE RECORD, IT JUST SEEMS SO UNFAIR FOR THIS WITNESS TO TALK ABOUT THE FINANCIAL PLIGHT OF GEORGE HANSEN BECAUSE OF TROUBLES HE HAS HAD AND THEN HE HAD TO GO OUT AND GET CONTRIBUTIONS, AND THAT THE GOVERNMENT IS NOT PERMITTED TO ESTABLISH THAT THE FINANCIAL TROUBLES ARE NOT THAT HE HAS BEEN VICTIMIZED, BUT THAT HE WAS PROSECUTED AND PLED GUILTY.

MR. LEWIN: NO. THE FINANCIAL TROUBLES ARE ATTRIBUTABLE TO A WHOLE RANGE OF THINGS, AND MR. WEINGARTEN WELL KNOWS THAT. AND THAT DOESN'T MEAN THAT HE CAN GO INTO EVERY CIVIL OR EVERY OTHER MATTER THAT IS RELATED TO THE FINANCIAL TROUBLES. THAT IS JUST NOT RELEVANT.

THE COURT: HIS TROUBLES BEFORE THIS JURY ARE SOME FINANCIAL TROUBLES AS A RESULT OF CONGRESSIONAL ACTIVITIES AND BATTLES. AND ASSUMEDLY THEY DON'T KNOW -- AT LEAST WE HOPE THEY DON'T KNOW WHAT OCCURRED THERE SPECIFICALLY.

MR. LEWIN: THAT IS TRUE.

MR. WEINGARTEN: YOUR HONOR, THERE IS AN EXHIBIT THAT THE COURT HAS RULED ADMISSIBLE, THE LETTER FROM CONNIE HANSEN, THAT INDICATES THAT THE INVESTIGATIONS -- THAT SHE SENT OUT A FLYER, AND I'M NOT QUOTING HER, BUT I'M COMING VERY CLOSE TO QUOTING HER, THAT SAID THE INVESTIGATIONS OCCURRED BECAUSE THESE ALLEGATIONS PROVE NOTHING BUT MY HUSBAND'S INNOCENCE. WORDS TO THAT EFFECT. IF THAT EVIDENCE COMES IN, IT EXACERBATES THE PROBLEM.

THE COURT: I WOULD SUGGEST MAYBE THAT PART HAS TO BE WHITED OUT OR EXCISED IN SOME WAY.

MR. LEWIN: IF THERE IS SOME PARTICULAR PORTION. IF MR. WEINGARTEN WILL TELL ME SPECIFICALLY WHAT HE IS REFERRING TO. I DON'T KNOW OF ANY PARTICULAR SECTION.

THE COURT: IF THERE IS SUCH A SECTION, I SUGGEST YOU CULL IT, BECAUSE IF IT COMES IN, MR. LEWIN -- THIS IS YOUR CLIENT. I'VE TOLD YOU I DON'T HAVE THESE EXHIBITS IN FRONT OF ME.

MR. LEWIN: IF MR. WEINGARTEN KNOWS OF SOME PARTICULAR THING THAT OUGHT TO BE EXCISED OUT OF THE EXHIBIT, I WOULD CONSIDER THAT. BUT NOT THE EXHIBIT IN GENERAL.

THE COURT: YOU WOULDN'T WANT IT IN THAT CONTEXT.

BUT AS FAR AS THE INSTANT MATTER IS CONCERNED, I WOULD SUGGEST THAT MR. IRWIN TELL US WHAT HE KNOWS ABOUT THIS MATTER AND HOW HE ACTED UPON IT. AND I WOULD LIKE TO BRING HIM UP HERE, WITH THE CONSENT OF COUNSEL, SO I DON'T HAVE TO PUT THE JURY OUT JUST TO TELL HIM NOT TO DISCUSS IT. ALL RIGHT?

MR. LEWIN: SURE.

THE COURT: ALL RIGHT.

(IN OPEN COURT)

THE COURT: MAY WE SEE YOU UP HERE AT THE BENCH, MR. IRWIN?

(AT THE BENCH)

THE COURT: MR. IRWIN, I DON'T KNOW WHAT YOU WERE GOING TO TESTIFY TO. VERY CLEARLY, SO THERE IS NO DOUBT IN YOUR MIND, THERE HAS BEEN NO REFERENCE PUT BEFORE THE JURY, NOR WILL THERE BE, ABOUT MR. HANSEN'S PRIOR CONVICTION. SO I DON'T KNOW WHETHER YOU WERE GOING TO SAY SOMETHING ABOUT DENFENDING HIMSELF FROM THAT OR ANYTHING THAT RELATES TO THAT, OR ANY ALLEGED INNOCENCE OR ANY ALLEGED GUILT. NOTHING ABOUT THAT CONVICTION. THE JURY KNOWS NOTHING ABOUT HIS TROUBLES IN THAT REGARD.

ALL RIGHT?

THE WITNESS: ALL RIGHT.

THE COURT: I WANT TO BE VERY CERTAIN, FOR THE PROTECTION OF THIS TRIAL, THAT THAT DOES NOT COME FORTH. THAT IS, OF COURSE, UP TO COUNSEL WHO CALLS YOU TO HAVE MADE THAT CLEAR TO YOU. PERHAPS IT WAS MADE CLEAR TO YOU. BUT I WANT TO BE ABUNDANTLY CLEAR BEFORE YOU TALK ANY FURTHER THAT YOU ARE FULLY AWARE THAT YOU CANNOT HAVE A DROP OR A HINT OF THAT MENTIONED AT THIS TRIAL.

THE WITNESS: ALL RIGHT. YOUR HONOR, MR. HUNT DID NOT MENTION THAT TO ME, SO IN MY STATEMENT OF WHAT MR. HUNT TOLD ME, I WOULD NOT BE MENTIONING THAT.

THE COURT: RIGHT. IN YOUR SUBSEQUENT TESTIMONY, I TRUST THAT YOU WILL BE REFERRING TO HOW YOU ACTED UPON WHATEVER YOU HEARD AND SO FORTH, SO WE DON'T GET INTO THE

HEARSAY PROBLEMS. ALL RIGHT?

THE WITNESS: YES.

THE COURT: AS A LAWYER, YOU KNOW THAT. I DON'T HAVE TO CUT IT FOR YOU. VERY GOOD.

(END OF BENCH CONFERENCE)

THE COURT: ALL RIGHT. SHALL WE CONTINUE.

MR. LEWIN: YES.

BY MR. LEWIN:

Q MR. IRWIN, IN HIS DISCUSSIONS WITH YOU, DID MR. HUNT DESCRIBE ANY ADVICE OR ASSISTANCE HE HAD PROVIDED TO MRS. HANSEN?

A YES.

Q AND DID HE DESCRIBE FOR YOU HOW HE HAD ASSISTED HER WITH REGARD TO RECOMMENDATIONS CONCERNING THE PURCHASE OF SOYBEAN CONTRACTS?

A YES.

Q AND THE RESULTS OF THAT TRANSACTION?

A YES.

Q AND DID HE ALSO DESCRIBE FOR YOU THE FACT THAT AS A RESULT OF THE SOYBEAN TRANSACTION, THERE HAD TO BE A LOAN?

A YES.

Q AND THAT HE GUARANTEED THAT LOAN?

A YES.

Q AND DID HE FURTHER DESCRIBE TO YOU WITH REGARD TO MRS. HANSEN THE DETAILS OF A SILVER COMMODITY TRANSACTION?

A YES, SIR.

Q AND LET ME ASK YOU, MR. IRWIN, WHETHER WITH REGARD TO ALL THESE, WHETHER HE SPOKE OF CONGRESSMAN HANSEN OR OF MRS. HANSEN.

A MRS. HANSEN.

Q DID HE AT ANY TIME SAY TO YOU ON THAT DAY THAT THAT WAS ANY ASSISTANCE TO CONGRESSMAN HANSEN?

A NO. HE SAID THAT IT HAD BEEN REPRESENTED TO HIM BY CONGRESSMAN HANSEN AND MRS. HANSEN THAT THEY HAD ENTERED A SETTLEMENT AGREEMENT PARTITIONING THEIR ESTATE UNDER IDAHO LAW; THAT CONGRESSMAN HANSEN'S WIFE HAD ASSUMED THE BULK OF THE OBLIGATIONS WHICH WERE OWED FOLLOWING THE WAYNE HAYS AFFAIR, AND THAT SHE HAD RECEIVED CLEARANCE FROM THE HOUSE ETHICS COMMITTEE TO CONDUCT A FUND-RAISING, AND IT WOULD BE PERFECT FOR MR. HUNT, IF HE WAS INCLINED, TO HELP MRS. HANSEN; AND THAT ALL OF THE TRANSACTIONS WHICH HE HAD ENTERED INTO, WHICH YOU MENTIONED, THE SOYBEANS, THE GUARANTEE OF THE LOAN, THE SILVER TRANSACTION, WERE ALL TRANSACTIONS WITH THE CONGRESSMAN'S WIFE.

Q THANK YOU. AND JUST LET PLACE BEFORE YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 2 IN EVIDENCE AND ASK YOU WHETHER YOU RECOGNIZE THAT DOCUMENT.

A YES, SIR.

Q AND WHAT IS IT?

A THIS IS A COPY OF THE ENVELOPE AND THE LETTER WHICH

MR. HUNT GAVE ME ON THE AFTERNOON OF MARCH 31, 1981.

Q AND IT IS YOUR TESTIMONY THAT ON THAT AFTERNOON, YOU MADE AN ARRANGEMENT TO FLY TO WASHINGTON, BUT DID NOT TELL MRS. HANSEN OR THE CONGRESSMAN, IF HE WAS ON THE PHONE, SPECIFICS -- SPECIFICALLY WHY YOU WERE COMING.

A THAT IS CORRECT.

Q O.K. NOW, COULD YOU JUST TELL US WHAT YOU DID THE NEXT DAY, THEN, MR. IRWIN.

A I FLEW TO WASHINGTON AND MET WITH MRS. HANSEN. CONGRESSMAN HANSEN ASKED TO BE PRESENT AS A BYSTANDER. I ASKED CONGRESSMAN HANSEN'S WIFE FOR INFORMATION, THE PROPERTY SETTLEMENT, THE CONFIRMATIONS, THE ACCOUNT DOCUMENTS WHERE THE SILVER TRADING TOOK PLACE WITH MR. MING.

Q LET ME INTERRUPT YOU FOR JUST A MOMENT, MR. IRWIN.

A SURELY.

Q THAT DAY, THAT IS, APRIL 1, WHERE DID YOU MEET WITH MRS. HANSEN WITH CONGRESSMAN HANSEN PRESENT?

A I CAN'T REMEMBER THE NAME OF THE BUILDING. IT WAS IN CONGRESSMAN HANSEN'S OFFICES.

Q IT WAS AT HIS OFFICE --

A HERE IN WASHINGTON.

Q RIGHT. AND -- ALL RIGHT. I'M SORRY. I INTERRUPTED YOU. GO AHEAD.

A I WAS TRYING TO PULL TOGETHER THE RECORDS WHICH MR. HUNT WANTED ME TO GET, WHICH I'VE JUST MENTIONED, AS WELL

AS THE CORRESPONDENCE DEALING WITH THE CONTACTS BETWEEN MRS. HANSEN AND THE HOUSE ETHICS COMMITTEE. I WANTED CONFIRMATION FROM MRS. HANSEN THAT SHE OWED THE MONEY TO MR. HUNT.

I TOLD THEM THAT A LETTER HAD BEEN RECEIVED ACCUSING MR. HUNT OF HAVING MADE A BRIBE TO CONGRESSMAN HANSEN THROUGH SOME SILVER TRANSACTIONS. I ASKED THEM IF THEY KNEW THE NAME -- THIS DOESN'T HAVE IT ON HERE, BUT THERE WAS A NAME. IF THEY KNEW THAT PERSON, IF THEY KNEW WHO HAD BEEN RESPONSIBLE FOR SENDING A LETTER OF THIS TYPE. I DID NOT HAVE THE LETTER WITH ME.

I DON'T KNOW HOW MUCH FARTHER YOU WANT ME TO GO. WE DISCUSSED THE WHOLE SITUATION.

Q ALL RIGHT. LET ME ASK YOU FIRST WHAT I HAD INTENDED TO ASK YOU BEFORE. HAD YOU EVER MET CONGRESSMAN OR MRS. HANSEN BEFORE?

A NO.

Q AND IN TERMS OF THAT TRIP, YOU SAY YOU DID NOT TAKE THE LETTER WITH YOU.

A NO, SIR.

Q AND YOU DID NOT TAKE A COPY OF THE LETTER.

A NO, SIR.

Q DID YOU TELL THEM THE SUBSTANCE OF WHAT THE LETTER CONTAINED?

A YES, SIR.

Q AND DID YOU THEN ASK MRS. HANSEN ABOUT THAT SILVER

TRANSACTION?

A YES.

Q AND DID SHE ANSWER YOUR QUESTIONS REGARDING THE SILVER TRANSACTION?

A YES.

Q THERE IS A REFERENCE IN EXHIBIT 2 BEFORE YOU TO AN ASSERTION THAT MR. HUNT HAD ASSISTED IN PROVIDING THE $125,000 FOR THE MARGIN CALL.

A RIGHT.

Q HAD MR. HUNT TOLD YOU ANYTHING ABOUT THE TRUTH OR FALSITY OF THAT ASSERTION?

A MR. HUNT, ON THE AFTERNOON BEFORE, HAD SAID THAT HE HAD ABSOLUTELY NOTHING TO DO WITH ANY OF THE FINANCIAL STEPS THAT MRS. HANSEN WENT THROUGH. HE DID NOT GUARANTEE HER ACCOUNTS; HE DIDN'T PUT UP MARGIN MONEY. HE DIDN'T DO ANYTHING. HE JUST RECOMMENDED THE BROKER AND MAYBE GAVE HER SOME ADVICE ON COMMODITIES AND WHEN TO BUY OR SELL.

Q DID YOU VERIFY THAT INFORMATION WITH MRS. HANSEN?

A ABSOLUTELY. MRS. HANSEN SAID THAT THEY HAD PUT UP THE MARGIN MONEY, HAD ARRANGED FOR A LOAN FROM A BANK IN POCATELLO, IDAHO; THAT -- SHE SAID THERE WAS SOME DELAY IN THE FUNDS REACHING THE BROKER BECAUSE OF A SNOWSTORM IN CHICAGO WHICH SOMEHOW HAD DELAYED THE WIRE TRANSFERS.

Q NOW, THERE WAS AN ASSERTION IN THAT BLACKMAIL LETTER ABOUT A SILVER MINE IN IDAHO.

A YES, SIR.

Q DID YOU ASK CONGRESSMAN HANSEN ABOUT THAT SILVER MINE?

A YES. I ASKED HIM IF HE HAD EVER DONE ANYTHING FOR BUNKER HUNT WITH RESPECT TO THE ACQUISITION OF ANY SILVER MINE IN IDAHO, AND HE DENIED THAT HE HAD DONE ANYTHING FOR MR. BUNKER HUNT IN CONNECTION WITH ANYTHING, INCLUDING THAT.

BUT I WAS EXTREMELY FAMILIAR WITH THE FALSITY OF THE ACCUSATION OF THE BLACKMAIL LETTER, ANYWAY.

Q HOW COME YOU WERE EXTREMELY FAMILIAR WITH THAT?

A THROUGH MY REPRESENTATION OF MR. HUNT, THE ONLY SILVER MINE AT THAT TIME THAT HE HAD HAD ANY INTEREST IN WOULD HAVE BEEN A VERY INDIRECT INTEREST THROUGH STOCK IN A COMPANY CALLED SUNSHINE MINING COMPANY, WHICH WAS ACQUIRED BY PRIVATE PURCHASE FROM TWO INDIVIDUALS, OR TWO COMPANIES, REALLY, IN MARCH OF 1977, FOLLOWED BY AN INTERSTATE CASH TENDER OFFER FOR THE BALANCE -- NOT THE BALANCE, BUT FOR ABOUT 28 PERCENT OF THE SHARES OF THAT COMPANY, A MATTER WHICH HAD BEEN RESISTED BY IDAHO STATE OFFICIALS AND HAD GONE ALL THE WAY TO THE UNITED STATES SUPREME COURT, IN WHICH THERE CERTAINLY WAS NO INVOLVEMENT OF CONGRESSMAN HANSEN AT ALL, AND CERTAINLY NO INFLUENCE OVER ANY STATE OFFICIALS, BECAUSE IT WAS AN ENORMOUS BATTLE.

Q SO IT WAS SOMETHING YOU PERSONALLY KNEW WAS FALSE.

A I CERTAINLY DID.

Q AND DID YOU ALSO KNOW THAT THAT MINE WAS NOT IN CONGRESSMAN HANSEN'S DISTRICT AT ALL?

A MR. HUNT TOLD ME THAT. I DIDN'T KNOW IT BEFORE MR. HUNT TOLD ME THAT.

Q AND CONGRESSMAN HANSEN --

A AND IT WAS CONFIRMED WHEN I WAS HERE IN WASHINGTON THAT CONGRESSMAN HANSEN WAS FROM THE SOUTHERN DISTRICT, WHICH WAS NOT THE MINING REGION OF THE COEUR D'ALENE AREA MENTIONED IN THE LETTER.

Q WAS THERE SOME DISCUSSION THEREAFTER ABOUT WHAT SHOULD BE DONE ABOUT THAT BLACKMAIL LETTER?

A I TOLD THE CONGRESSMAN THAT MR. HUNT WAS PROBABLY GOING TO TAKE IT TO THE FBI. HE WAS LEAVING IT UP TO ME. HE HAD EXPRESSED THE FACT THAT, WELL, IT MIGHT BE AN APRIL FOOLS' JOKE; WE NEED TO GET SOME INFORMATION, BUT THAT'S WHERE MR. HUNT WAS HEADED. AND CONGRESSMAN HANSEN SAID THAT THAT WAS UNACCEPTABLE. BECAUSE HE WAS INVOLVED, BECAUSE HE WAS A CONGRESSMAN HERE IN WASHINGTON, THAT HE WAS GOING TO INSIST THAT IT GO TO THE ATTORNEY GENERAL OF THE UNITED STATES, AND HE WAS GOING TO BE CALLING TO GET AN APPOINTMENT AT THE EARLIEST POSSIBLE DATE.

Q AND HOW DID YOU REACT TO THAT INFORMATION FROM CONGRESSMAN HANSEN?

A I TOLD HIM I WOULD INFORM MR. HUNT OF CONGRESSMAN HANSEN'S REACTION AND GO FROM THERE.

A AND WAS THAT CONGRESSMAN HANSEN'S IMMEDIATE REACTION?

A IMMEDIATE, YES.

Q WHAT DID YOU DO FOLLOWING THAT MEETING, THEN, MR. IRWIN?

A I WENT TO THE AIRPORT; I CALLED MR. HUNT AND TOLD HIM ABOUT THE MEETING AND THAT I'D BE GETTING ON A PLANE AND BE BACK IN DALLAS THAT NIGHT. HE SAID, "FINE. LET'S GET TOGETHER TOMORROW." AS TO THIS SUBJECT, I THINK THAT IS ALL THAT WAS DONE.

Q NOW, THAT WAS APRIL 1 OF 1981.

A YES, SIR.

Q DO YOU RECALL WHAT DAY OF THE WEEK APRIL 1 WAS?

A WEDNESDAY.

Q WEDNESDAY. AND COULD YOU TELL US WHAT HAPPENED ON THURSDAY WITH REGARD TO THIS?

WELL, FIRST, BEFORE YOU GET TO THAT, WAS THERE ANY DISCUSSION WITH CONGRESSMAN HANSEN ABOUT A COPY OF THE BLACKMAIL LETTER?

A YES. IT WAS KIND OF A MUTUAL AGREEMENT THAT MRS. HANSEN WOULD GET THE RECORDS CONCERNING HER SILVER TRADING AT MING, THE OPENING OF HER ACCOUNT, THE CONFIRMATIONS, THE CORRESPONDENCE WITH THE ETHICS COMMITTEE; AND I BELIEVE SHE SAID SHE WOULD GET A COPY FO THE SEPARATION AGREEMENT, ALTHOUGH I THINK IT WAS BACK IN IDAHO. AND IN TURN, I WOULD ARRANGE TO GET A COPY OF THE BLACKMAIL LETTER SENT BACK BY FEDERAL

EXPRESS.

Q NOW, YOU MENTIONED CORRESPONDENCE WITH THE ETHICS COMMITTEE. DID THAT COME UP IN THE COURSE OF YOUR DISCUSSIONS WITH HER?

A YES.

Q WHAT WAS SAID ABOUT CORRESPONDENCE WITH THE ETHICS COMMITTEE?

A THAT MRS. HANSEN HAD ASSUMED A SUBSTANTIAL PORTION OF THE OBLIGATIONS THAT FOLLOWED THE WAYNE HAYS AFFAIR AND HAD ADVISED THE HOUSE ETHICS COMMITTEE THAT SHE WAS GOING TO BE CONDUCTING A FUND-RAISING CAMPAIGN TO PROTECT THE FAMILY, AND THAT THERE HAD BEEN NO OBJECTION REGISTERED BY THE HOUSE ETHICS COMMITTEE TO HER DOING SO.

Q AND THAT WAS CORRESPONDENCE RELATING TO THAT MATTER, IS THAT RIGHT?

A YES, SIR.

Q SO SHE WAS GOING TO BE PROVIDING THAT TO YOU.

A YES.

Q WHEN YOU RETURNED TO DALLAS, DID YOU IN FACT SEND OUT A COPY OF THE BLACKMAIL LETTER?

A YES.

Q DID YOU HEAR ANY MORE ON THAT DAY FROM CONGRESSMAN OR MRS. HANSEN?

A CONGRESSMAN HANSEN CALLED ME AND WANTED TO KNOW --

THE COURT: EXCUSE ME. THIS IS APRIL 1, STILL?

THE WITNESS: NO. THIS IS APRIL 2, YOUR HONOR. THIS WOULD BE THURSDAY, APRIL 2.

BY MR. LEWIN:

Q THURSDAY, APRIL 2.

A CONGRESSMAN HANSEN CALLED ME AND ASKED WHAT WAS MR. HUNT'S REACTION TO HIS INSISTENCE THAT THE MATTER GO TO THE ATTORNEY GENERAL OF THE UNITED STATES. I TOLD HIM THAT I HAD NOT YET BEEN ABLE TO REACH MR. HUNT, WHO WAS TIED UP AND WOULD BE TIED UP THROUGH THE LUNCH HOUR, BUT THAT I WOULD BE MEETING WITH MR. HUNT LATER THAT AFTERNOON, I WAS SURE, AND WE'D GET WITH HIM.

Q DID YOU IN FACT TALK WITH MR. HUNT LATER THAT AFTERNOON?

A I DID.

Q AND DID YOU TELL HIM ABOUT YOUR CONVERSATION AND MR. HANSEN'S INSISTENCE THAT THE MATTER BE TAKEN TO THE ATTORNEY GENERAL?

A YES.

Q AND WHAT WAS MR. HUNT'S REACTION?

A WELL, THE FIRST THING THAT CAME UP IS THAT MR. WHITAKER HAD RAISED A QUESTION OF WHETHER THIS WAS REALLY EXTORTION OR BLACKMAIL, BECAUSE IT WAS A DEMAND FOR A LOAN, WHICH WAS PROMISED TO BE REPAID AFTER 120 DAYS. AND MR. HUNT WANTED RESEARCH, LEGAL RESEARCH DONE ON THAT QUESTION TO BE SURE THAT THIS WAS IN FACT BLACKMAIL. I BELIEVED THAT IT WAS, BUT I SAID I WOULD GET AN ASSOCIATE OF THE FIRM TO DO SOME RESEARCH ON THAT AND WE WOULD GET AN ANSWER.

I BELIEVE A CALL WAS THEN PLACED TO CONGRESSMAN HANSEN AND MRS. HANSEN. I BELIEVE THERE WAS -- WE DISCUSSED WITH THEM THE FACT THAT RESEARCH WAS BEING DONE ON THE QUESTION WHETHER THIS DID CONSTITUTE BLACKMAIL.

THE COURT: EXCUSE ME. YOU SAY "WE DISCUSSED". YOU DISCUSSED?

THE WITNESS: I THINK IT WAS ON THE SPEAKER PHONE WITH MR. HUNT PRESENT, AND MAYBE EVEN MR. WHITAKER. AND I THINK MR. HUNT WOULD HAVE PREFERRED TO HAVE TAKEN THE BLACKMAIL LETTER--IF IT WAS SUBSTANTIATED THAT THIS WAS NOT A CRACKPOT, WAS NOT AN APRIL FOOLS' JOKE, WAS REALLY BLACKMAIL, HE WANTED TO TAKE IT TO THE FBI IN DALLAS. THAT WOULD HAVE BEEN HIS PREFERENCE.

CONGRESSMAN HANSEN, ON THE OTHER HAND, WAS INSISTING THAT BECAUSE HE WAS A NATIONAL, PROMINENT FIGURE AND A CONGRESSMAN IN WASHINGTON, THAT IT HAD TO GO TO THE ATTORNEY GENERAL OF THE UNITED STATES. AND THAT WAS BASICALLY THE CONVERSATION, AS I REMEMBER IT.

BY MR. LEWIN:

Q DID MR. HUNT INDICATE TO YOU THAT HE WOULD SLEEP ON THE MATTER OF WHETHER TO GO FORWARD AS CONGRESSMAN HANSEN ASKED?

A YES, HE DID.

Q ALL RIGHT. THAT FINISHES THURSDAY, APRIL 2. COULD YOU TELL US WHAT HAPPENED ON THE 3RD OF APRIL, WHICH WOULD BE A FRIDAY?

A WE -- WHEN I SAY "WE", AGAIN IT'S MR. HUNT AND I, CALLED CONGRESSMAN HANSEN, OR MAYBE RETURNED HIS CALL WOULD BE MORE ACCURATE; I'M NOT SURE. CONGRESSMAN HANSEN BY THAT TIME HAD SECURED AN APPOINTMENT FOR MONDAY MORNING WITH THE ATTORNEY GENERAL OF THE UNITED STATES, I THOUGHT.

LET'S SEE. ARE WE ON THURSDAY OR FRIDAY?

Q WE ARE NOW ON FRIDAY, APRIL 3RD.

A FRIDAY, YES. MR. HUNT AGREED --

Q WELL, LET ME GO BACK TO THAT FOR A MOMENT. YOU CALLED CONGRESSMAN HANSEN? DO YOU RECALL IT SPECIFICALLY, OR WOULD IT BE HELPFUL TO LOOK AT A MEMORANDUM FOR THAT DATE FOR YOU?

A IT WOULD BE HELPFUL TO LOOK AT THE MEMORANDUM. WE WERE ON THE TELEPHONE.

Q LET ME PLACE BEFORE YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 27 FOR IDENTIFICATION.

A YES. THIS REFRESHES MY RECOLLECTION. MR. HUNT AND I DID PLACE THE CALL.

Q ALL RIGHT. SO YOU PLACED THE CALL ON THE 3RD OF APRIL TO CONGRESSMAN HANSEN?

A YES.

Q AND WHAT HAPPENED AT THAT TIME?

A   MR. MCKENNA WAS ON THE LINE --

Q   WHO WAS MR. MCKENNA?

A   HE WAS A STAFF ATTORNEY IN CONGRESSMAN HANSEN'S OFFICE WHOM I HAD MET ON APRIL 1 FOR THE FIRST TIME.

Q   ALL RIGHT. MR. MCKENNA WAS NOT IN THE MEETING ON APRIL 1, WAS HE? YOU JUST MET HIM.

A   NO. NO, NO. BUT I MET HIM.

Q   ALL RIGHT. SO YOU SAY CONGRESSMAN HANSEN AND MR. MCKENNA WERE ON THE LINE ON APRIL 3.

A   RIGHT. THEY ADVISED THAT THEY HAD SECURED AN APPOINTMENT FOR MONDAY AND SUGGESTED THAT WE HANDLE THE MATTER IN THE SAME FASHION. MR. HUNT AGREED. AND I WAS ASKED TO GO TO WASHINGTON ON SUNDAY IN ORDER TO MEET WITH CONGRESSMAN HANSEN AND GO TO THE OFFICE OF THE ATTORNEY GENERAL OF THE UNITED STATES ON MONDAY MORNING.

Q   AND WAS THERE INDICATION GIVEN TO YOU ON THE TELEPHONE THAT THE COPY OF THE BLACKMAIL LETTER HAD BY THEN ARRIVED IN CONGRESSMAN HANSEN'S OFFICE?

A   YES.

Q   ALL RIGHT.

MR. LEWIN: SHALL WE TAKE A BREAK NOW FOR LUNCH, YOUR HONOR? OR SHOULD WE GO ON?

THE COURT: WELL, IF WE CAN ACCOMPLISH MONDAY, I THINK THAT'S ALL THAT REMAINS, ISN'T IT?

MR. LEWIN: THERE'S A LITTLE BIT MORE AFTER MONDAY, BUT -- AND MONDAY MAY TAKE A LITTLE WHILE.

THE COURT: ALL RIGHT. THEN WE WILL TAKE A BREAK AT THIS TIME.

LADIES AND GENTLEMEN OF THE JURY, THIS IS OUR CUSTOMARY LUNCHTIME BREAK WHICH WE WILL TAKE AT THIS TIME, AGAIN AN HOUR AND FIFTEEN MINUTES FOR LUNCHEON. I WOULD LIKE YOU BACK AT 1:30 THIS AFTERNOON, WITH THE CONTINUING ADMONITION NOT TO DISCUSS THE CASE, BUT TO HAVE A VERY GOOD LUNCHEON.

OUR WITNESS, OF COURSE, IS IN THE MIDST OF HIS TESTIMONY, AND, AS HE WELL KNOWS, HE IS NOT TO DISCUSS THE TESTIMONY WITH ANYONE DURING THIS INTERRUPTION IN HIS TESTIMONY. WE WILL SEE YOU BACK, ALSO, SIR, 1:30 THIS AFTERNOON, AS WELL AS COUNSEL AND MR. HANSEN.

HAVE A GOOD LUNCHEON.

(WHEREUPON, AT 12:17 P.M., THE TRIAL WAS RECESSED, TO RECONVENE AT 1:30 P.M., THE SAME DAY)

AFTERNOON SESSION

THE COURT: Good afternoon. Won't you come back, please. We are ready for the jury, but minus some counsel.

MR. CAMPBELL: Mr. Lewin will be here directly.

THE COURT: You have the same problem, don't you, Mr. Campbell, as I do?

Is Mr. Bragg going to join us also?

MR. CAMPBELL: Yes.

THE COURT: Any idea where they may be? Here comes one. Here comes two. Fine.

We can bring the jury in.

(Jury present at 1:30)

THE COURT: Good afternoon, ladies and gentlemen. We hope you had a nice luncheon. We shall continue with the testimony.

Mr. Lewin.

Whereupon,

IVAN IRWIN

resumed the stand and, having been previously duly sworn by the Deputy Clerk, was examined and testified further as follows:.

DIRECT EXAMINATION (resumed)

BY MR. LEWIN:

Q. Before the lunch recess, I believe we had gotten up to the date of Monday, April 6th.

A. Yes, sir.

Q. Could you please, Mr. Irwin, describe for us what you did on Monday, April 6th, 1981?

A. I went to the office of Congressman Hansen, met there with him, and Mr. Jim Runft, his personal attorney.

Q. Had you met Mr. Runft before that?

A. No, I had never met him.

Q. He was introduced to you on April 6th?

A. That is correct.

Q. About what time of the day was it?

A. 9:00 in the morning, as I remember.

Q. So you flew in the night before?

A. Yes, sir.

Q. All right.

A. I began to get from Mr. Runft some of the information that I had come up for the week before. I may have already covered this, the account information on Mrs. Hansen's account with Ming Commodities, some correspondence that she had with the House Ethics Committee, some confirmation trade slips on her silver transactions.

Apparently Mr. Runft had not brought with him the property settlement agreement, so I did not get that at that time.

We went to the office of the Attorney General. I am not sure I know the name of the building. Mr. McKenna was with us, and after a very short wait, we met with Mr. Rudolph

Giuliani and Mr. Ken Caruso.

Q. Rudolph Giuliani, G-I-U-L-I-A-N-I?

A. I believe so.

Q. Is that right?

A. I think that is right. I forget his exact title, Associate Attorney General or something close to that.

Q. Was it your understanding that he was the top man in the Department of Justice assigned to criminal matters?

A. Yes, that was my understanding.

Q. Who also was with him?

A. Mr. Ken Caruso.

Q. C-A-R-U-S-O?

A. Yes.

Q. What was your understanding about Mr. Caruso's position?

A. I forget precisely what his title was.

Q. You met in Mr. Giuliani's office?

A. We met at a conference room. I don't believe it was an office.

Q. Let's just get clear for the jury exactly who was there. Yourself?

A. Right, the congressman, Mr. Runft, Mr. McKenna, Mr. Giuliani, Mr. Caruso.

Q. All right.

A. I turned over to the government representatives the original of the blackmail letter.

Q. You had brought that with you?

A. Yes, I had.

Q. It was in cellophane?

A. It was in cellophane. We had Xeroxed the cellophane the week before when we sent the copy. The statutes and the cases which our office had done to show that while this was a demand for a loan, it nevertheless was extortion, and Congressman Hansen pretty well took up, at that point, and made a rather full, I think, recital of the same facts that I have gone over about how he had met Mr. Hunt, and the division of the property, and the silver trading, and that there was nothing to any of these claims of his having somehow helped Mr. Hunt in connection with the purchase of a silver mine in Idaho.

We didn't get all the way through that because Mr. Giuliani said, "I am not really interested in the facts. You wouldn't be here if there wasn't anything to this." He said, "I will get from Director Webster's office" --

Q. Who is Director Webster?

A. The director of the Federal Bureau of Investigation. "We will send a No. 2 and No. 3 man over this afternoon, to Congressman Hansen's office, for interviews."

That is really about what happened there.

Q. Is it fair to say that the principal person speaking during this meeting was the congressman?

A. I believe so, supported to some extent by Mr. Runft and me.

Q. Was the congressman disclosing everything regarding that silver transaction to Mr. Giuliani?

A. Yes, he was explaining, attempting to. As I said, we all got a little bit cut short because Mr. Giuliani said, "I am not really worried about the facts, so much. You wouldn't be here if there was any truth to this blackmail."

Q. Then you say the meeting concluded?

A. Yes.

Q. About how long would you say it took?

A. Maybe an hour.

Q. Then what --

A. An hour and a half.

Q. Was Mr. Caruso there throughout the whole meeting?

A. As well as I remember.

Q. Did he participate in any way?

A. He may have asked a question or two. I believe that Mr. Giuliani was a little more in charge.

Q. Then Mr. Giuliani said to you that what, what would happen next?

A. That he would have a No. 2 or No. 3 man from Director Webster's office go to Congressman Hansen's office to interview us.

Q. So you returned to Congressman Hansen's office?

A. Right.

Q. Could you please describe for the Court and jury what happened next?

A. Okay. Mr. Hunt, on Saturday, before I went to Washington the second time, had insisted that I either come back with some money from the Hansens or that I come back with some fresh notes to evidence the indebtedness of Mrs. Hansen resulting from Mr. Hunt's payoff of the First National Bank in Dallas loan.

After some discussions with Mr. Runft and the congressman and his wife and me and so forth, and calling Dallas to get from Mr. Hunt's financial people some dates and amounts, as reflected from the accounting records, we prepared two new notes. One was dated the day that Mr. Hunt had made an interest payment for Mrs. Hansen, in the amount of about $3,000 plus. I don't remember the exact amount.

And the second one was a much larger note of about $61,000 dated in June of 1980, when Mr. Hunt had purchased the note from InterFirst, the note that Mrs. Hansen wrote to InterFirst. It was dated that day. We were trying to protect Mr. Hunt from interest on those dates. We didn't have a calculation of accrued amounts so we just dated it the date Mr. Hunt spent his money.

We waited until a phone call came in from someone who identified himself as with the Federal Bureau of Investigation.

Q. One minute. Before you get to that, you have just described the matter of preparing these notes.

A. Yes.

Q. That was done, you say, at your client's insistence, Mr. Hunt insisted that you come back either with money or with fresh notes?

A. That is right.

Q. I show you what have been marked as Government's Exhibits 26A in evidence and 26b in evidence, and I ask you whether those are the documents that you have just testified about?

A. These are copies, yes.

Q. They are copies of those documents that you prepared on that day?

A. Yes.

Q. Is it an accurate statement to say those documents had been back-dated?

A. They were dated the date that Mr. Hunt spent his money, either paying the interest on Mrs. Hansen's note or paying off the note, including accrued interest to that date.

Q. So that is a perfectly proper way to work up those notes in terms of your experience as an attorney?

A. It was by far the cleanest, easiest and most accurate way to reflect the debt, that is correct.

Q. Thank you.

Now, Mr. Irwin, you were telling us, at that point when I interrupted you, that there was a call from the FBI at some point in the afternoon.

A. Right. Someone who identified himself, and I don't have the pronunciation, it is something like Mr. Heieck or something like that.

Q. Would it be, just looking at your memoranda, would it be H-E-I-E-C-K?

A. It could be that, yes. Something. I am not sure I can pronounce the name. He wanted to conduct the interviews over the telephone.

Q. Could you tell us what you recall it was he said?

A. He said, "I am from the Federal Bureau of Investigation, and I have been assigned to this matter. Is Mr. Irwin there?"

I was brought to the phone, and he repeated, "I am from the FBI. I would like to interview you over the telephone about the George Hansen/Bunker Hunt matter."

I said, "How can you establish you are with the FBI? How can you give me some identification?"

I said, "I am sorry, sir, I am not going to conduct this investigation over the telephone. We were told that representatives would be here and I am going to insist upon proper identification." And that was the end of the telephone conversation.

I reported what happened to Congressman Hansen.

Q. What did Congressman Hansen then do?

A. He called back to the office of the Attorney General, and was very upset about this being handled in a very amateurish way and that they needed to get some people over there to interview, as they had said they would do, that this was not going to be something that could possibly be conducted on the telephone with some unknown person with no identification.

Q. What happened thereafter?

A. We waited until two agents, Mr. Hoy and Mr. Trailor arrived, and I believe I was interviewed first, because I had a plane to catch back to Dallas. I think Congressman Hansen and Mrs. Hansen may have been there for a part of that interview, and I may have even been there for a moment or two while some questions were asked of them, but I left to catch my plane.

Q. So you were interviewed that afternoon and then left back for Dallas?

A. Yes, sir, that is correct.

Q. Subsequent to that time, you have been interviewed on various other occasions with regard to these same matters?

A. Yes, sir, I have been fingerprinted, interviewed. I have been to the grand jury.

Q. Let's talk about it.

Did the agents who came over that afternoon fingerprint everybody?

A. They didn't. That was subsequently done by an agent in the Dallas office in the Federal Bureau of Investigation. [illegible]me is Lamar.

Q. He fingerprinted you?

A. Yes, sir.

Q. You were subsequently, you say, again interrogated by FBI agents?

A. Yes. Mr. Hunt was interrogated, and I was with him.

Q. You appeared before the grand jury and testified fully?

A. Yes, sir.

Q. Any indication ever from Mr. Hunt or from Mr. Hansen or anything that you should conceal anything or not disclose anything?

A. No, sir.

Q. Just with regard to those notes, and that obligation, Mr. Irwin, was there a time prior to the receipt of the blackmail letter when your firm was asked by Mr. Hunt to make a demand of Mrs. Hansen to pay on the obligation?

A. Yes, sir.

Q. Could you tell us when that was?

A. In July, 1980.

Q. Let me show you, Mr. Irwin, what has been marked as Defendant's Exhibit 72 for identification, and ask you whether you recognize that letter?

A. Yes, sir.

Q. Was that letter written by your law firm at Mr. Hunt's instruction or request?

A. Yes, sir.

Q. It was sent out on what date?

A. July 17, 1980.

Q. What was the purpose of the letter?

A. In the previous month, in June of 1980, Mr. Hunt had been called upon by the First National Bank of Dallas to honor his guarantee on Connie Hansen's $50,000 note. We were asked to demand payment of Mrs. Hansen, which was done with this letter.

MR. LEWIN: We offer Defendant's Exhibit 72 into evidence.

MR. WEINGARTEN: No objection.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 72 was received into evidence)

MR. LEWIN: Thank you. Thank you, Mr. Irwin.

THE COURT: I take it that means we are ready for cross-examination.

Mr. Weingarten.

CROSS-EXAMINATION

BY MR. WEINGARTEN:

Q. Good afternoon, Mr. Irwin.

A. Good afternoon.

Q. You have testified, of course, that you are a member of the law firm of Shank Irwin?

A. Yes.

Q. In Dallas?

A. Yes.

Q. One of your clients is Nelson Bunker Hunt?

A. Yes, sir.

Q. Is Mr. Hunt a personal friend of yours also?

A. Yes, sir.

Q. You have known him for all of his life?

A. Since I was in high school.

Q. Can you roughly estimate the percentage of your law related business that is Hunt related?

A. 25 percent.

Q. Now, you testified that March 31st, 1981, is the day the blackmail letter came to your attention?

A. Yes, sir.

Q. Do you have the blackmail letter up there?

A. Yes, sir.

Q. Is it fair to say that upon notice of that letter, that is the first time you ever knew there was a relationship between Mr. Hunt and the Hansens?

A. Correct.

Q. So we are perfectly clear on that, until March 31st, 1981, you knew nothing of Mr. Hunt's relationship with the Hansens?

A. That is correct.

Q. You knew nothing about the soybean transaction, nothing of the silver transaction?

A. That is correct.

Q. Nothing of the loans involved in this case?

A. That is correct.

Q. All brand new when you walked into Mr. Hunt's office on March 31st?

A. Correct.

Q. Now, is it fair to say that when you first looked at the blackmail letter your first reaction was to pick up the phone and call the FBI?

A. That is pretty close to correct. This gave a time limit -- I don't remember what it is -- in which Mr. Hunt was to deposit money or the supposed evidence of this bribe in connection with the silver mine was going to be turned over to the FBI.

My reaction was when somebody makes a threat like that, which was absolute poppycock, is take it to the FBI.

Q. Of course, it wasn't immediately taken to the FBI, and the reason for that was Mr. Hunt's suggestion to contact the Hansens?

A. Well, no, that is not complete at all.

It wasn't taken because Mr. Hunt said, "Before we take it, let's get the records that will show that I had nothing to do with Connie Hansen's silver contracts. I want you to go see Mrs. Hansen and get those records. I want to get the copy of this property settlement agreement that they said they entered into, and I want to get the correspondence that she had with the House Ethics Committee and anything else. So that we have everything in order on our end and then we will take it."

Please understand, he still was wondering if this was an April fool's joke or just a crank letter.

Q. Let me just ask you, did you ever get a copy of the property settlement agreement?

A. No, sir.

Q. Did you ask for it?

A. Yes, sir.

Q. Now, of course, pursuant to all these events on Tuesday, March 31st, you did do some investigation into the allegations of the blackmail letter?

A. Yes, sir.

Q. You satisfied yourself that Nelson Bunker Hunt never had George Hansen do him any favors relating to the Sunshine Mine in northern Idaho?

A. I knew that.

Q. You had no problem there. So that blackmailer was obviously wrong at least on that score, from your personal knowledge?

A. He was absolutely wrong, and I believe you have told me that he said he made it up.

Q. Yes, sir.

you are certain, from talking to Mr. Hunt, that he was dead wrong on the margin, is that correct?

A. That is right.

Q. Mr. Hunt had nothing to do with that margin?

A. That is correct.

Q. Now, he was right on some things, though, wasn't he?

A. To the extent that this suggests that Mr. Hunt used his broker to introduce Mrs. Hansen to, yes, that is accurate.

Q. Of course, the profit was $87,475?

A. I think that is right. I think that is accurate.

Q. And the contracts were first purchased in Bunker Hunt's account, were they not?

A. I don't have personal knowledge of that, but I understand that to be the case.

Q. Now, of course, you had extensive conversations about Mr. Hunt's role, in this particular silver transaction, with Mr. Hunt?

A. Yes.

Q. And Mr. Hunt did tell you that he influenced the purchase and the sale of these contracts, did he not?

A. He said that he had recommended silver. He thought it was a good investment and had given her some advice on timing.

Q. Of course, in the commodities market, timing is everything, is it not?

A. Yes, sir, that is very important.

Q. You make your money and lose your money on the timing, when you buy and when you sell?

A. It is very risky.

Q. It is very risky?

A. Yes, sir.

Q. Is it not fair to say that Bunker Hunt made the decisions in the $87,000 silver contract?

A. I think he made recommendations. I don't think he made decisions.

Q. Do you know whether or not the recommendations were followed?

A. As far as I know, they were.

Q. When you came up to the District of Columbia, I guess that is the first time you ever met the Hansens?

A. That is correct.

Q. Was Mrs. Hansen knowledgeable on the commodities market?

A. I don't know how to answer that. I didn't ask her any specific questions about that. I don't think she was. I don't think she had had any significant commodities experience.

Q. In your discussion of the commodities transaction, wasn't it just perfectly apparent to you that she knew absolutely nothing about the commodities market and nothing about the silver transaction?

A. She knew about the silver transactions. I certainly didn't get the impression that she had any significant experience in commodities trading.

Q. Would you turn to your memo, I guess that is before you, or maybe it isn't. Do you have your memo before you, your memos?

A. I have the April 3 memo.

Q. All right. This is April 7th.

THE COURT: Does that have an exhibit number?

MR. WEINGARTEN: Maybe I should get this marked.

Is Defendant's Exhibit 29 marked, please?

MR. LEWIN: April 7th?

MR. WEINGARTEN: Yes.

MR. LEWIN: All right.

BY MR. WEINGARTEN:

Q. Sir, I would like to approach you with Defendant's Exhibit 29. Is that a memo you wrote memorializing conversations with the Hansens?

A. Yes.

Q. If you would, look at the eighth line and begin with the first full sentence. Does it not read, "Mrs. Hansen was not real sure of exactly how the silver trading had been done"?

A. Yes, that is right.

Q. What did you mean by that?

A. She didn't have her confirmations in front of her. She didn't have any specific recollection of the timing.

Q. Weren't you being charitable there, Mr. Irwin?

A. I don't know. That was my impression, you know, she was not real sure of exactly how it had been done.

Q. Did Mrs. or Mr. Hansen represent to you that they had secured a loan to meet their margin payment?

A. I think that is right.

Q. Which one, was it Mrs. Hansen who represented that or Mr. Hansen?

A. I think both.

Q. Do you now know that that loan constituted a $125,000 check written on an account with $300?

A. No, I did not know that.

Q. Did they ever tell you that?

A. No.

Q. Now, you said one of your purposes in going up to D.C. was to collect money for Mr. Hunt?

A. Right, or bring back fresh notes.

Q. When you say fresh notes, had there been any notes in this case from Mr. Hunt to the Hansens?

A. From Mr. Hunt to the Hansens?

Q. Yes.

A. No.

Q. When you say fresh notes, are you implying that there were notes before, new notes?

A. No. The note that Mr. Hunt bought was a note from Mrs. Hansen to the First National Bank of Dallas, which was endorsed over to Mr. Hunt when he had to pay it off.

Q. Right.

A. He wanted direct obligation from the Hansens to him.

Q. Heretofore, there was not a piece of paper so reflecting the obligation?

A. That is right, except to the extent you could trace it back through the First National.

Q. Did they make any representations to you, when you were in the District of Columbia, April of 1981, as to whether or not they would pay that money?

A. They said they would.

Q. Did they give you a time reference?

A. When I was there the first time, on April 1st, Congressman Hansen said he would try to put something in order to get something done by the next week. When I was there the next week, on April 6th, the notes were broken into two pieces, the smaller note representing the interest payment and the larger note representing the purchase of the principal and the rest of the interest. And you will note that the smaller note has a relatively short maturity date, May 25 of 1981. That was done that way because that was something that was going to be handled by that date.

The other one has a longer -- I take it back. They are the same maturity dates. I am sorry. But I remember that there was a fairly short maturity date when these notes were going to be taken care of by those days.

Q. Were they?

A. No.

Q. Have they been taken care of to this date?

A. No, sir.

Q. When you got to the department, you met with, of course, the Assistant Attorney General, Mr. Giuliani, and his assistant, Mr. Caruso. I think it was your testimony that Mr. Hansen carried the ball?

A. Yes. After turning over the original of the letter and explaining the circumstances under which it had been received, and the statutes and the cases, I think at that point the congressman did most of the talking.

Q. Did he go into some detail about the property separation agreement and some detail about his relationship with Bunker Hunt and some detail about how the silver transaction evolved?

A. Some detail.

Q. Did he bother to tell Mr. Giuliani that it was he himself who spent the $87,000 profit?

A. That was never mentioned.

Q. Did you ever hear that before I told you that?

A. I think I read something about that in the newspapers, just out of last week's testimony.

Q. Just from this trial. Did Mr. Hansen ever tell you that?

A. No.

Q. Did Mrs. Hansen ever tell you that?

A. No.

Q. Did Bunker Hunt ever tell you that?

A. No.

Q. Now, Mr. Irwin, were you careful with the Hansens when you first came to Washington?

A. I was cautious.

Q. Was there a particular reason for that?

A. Yes, sir.

Q. What was that?

A. The conversation I had with Mr. Hunt on the day before included his recollection that the amount of money that had been committed in connection with this defense against the Wayne Hayes' accusations was about $450,000. The extortion letter, or blackmail letter, calls for $440,000. That amount was so similar that, for all I knew, the blackmail letter could have emanated from the Hansens.

Q. Did Bunker Hunt say he had personal knowledge that they had debts of $450,000?

A. No, that is what the congressman had told him, and Mrs. Hansen told him.

MR. WEINGARTEN: Thank you, sir.

THE COURT: Redirect.

REDIRECT EXAMINATION

BY MR. LEWIN:

Q. On this last thing you testified about, Mr. Irwin, you ultimately learned the name of the person who had been the author of the blackmail letter?

A. Yes, sir.

Q. It was a Mr. Emens?

A. Yes, sir.

Q. Did you learn under what circumstances Mr. Emens plead guilty?

MR. WEINGARTEN: Excuse me. May we approach the bench?

THE COURT: You may. Step down, please.

(Bench conference)

MR. WEINGARTEN: I request a proffer. If we are going into the plea agreement, obviously it is irrelevant.

MR. LEWIN: Mr. Weingarten has opened the door to this. I would not have gone into it, but he has now ask the man about that $440,000 and 450,000, which I represent I have never heard before. But by suggesting in some way that maybe there was an innuendo that the congressman was involved, I think we are entitled to go into what ultimately happened with regard to the author of the blackmail letter and to get before the jury --

THE COURT: I think the jury has heard that already.

MR. LEWIN: They only heard he plead guilty. What I would like to do --

THE COURT: Plead guilty, received a sentence.

MR. LEWIN: Not received a sentence. The stipulation did not go into that, and I assume that Mr. Weingarten was going to pose all that. I would like to be able to offer, and I will offer certified copies, of the things that are in the court record relating to Mr. Emens, which are his judgment of conviction, the plea agreement and the charge that was made against him, the information that was filed against him.

I think I am entitled to do that now that Mr. Weingarten has opened that door by suggesting that in some way, through this witness, that somehow the congressman may have been involved with this and that there is some kind of arrangement here.

What the government did was it worked out an arrangement with this blackmailer and there was a disposition of that case. I think what the government has done is wholly improper.

MR. WEINGARTEN: They are totally unrelated. It is absolutely relevant from Mr. Lewin's examination what was on Ivan Irwin and Bunker Hunt's mind when they sent Mr. Irwin up to Washington, D.C.

THE COURT: Certainly, the matter of the letter was introduced by you. Mr. Lewin, understandably, the matter was explored on direct examination. The matter of the entire letter obviously that has already been received into evidence, and I think you moved it into evidence.

MR. LEWIN: Yes.

THE COURT: It was a defense exhibit. Certainly there can be an examination as to other parts of that letter. The examination itself, there is nothing faulty with the examination. I don't know if any of you expected this testimony. I certainly hadn't heard it before. But as far as doing something with Arthur Emens, you will have to refresh my memory as to how much the jury knew about Arthur Emens.

MR. LEWIN: The stipulation was that Arthur Emens plead guilty.

THE COURT: In a certain court.

MR. LEWIN: And he was an employee of Mr. Ming.

THE COURT: I think there was a date.

MR. LEWIN: When he plead guilty. On the other hand, I certainly think we should be able to put into evidence the things that appear in the court record regarding Arthur Emens, which are the judgment of conviction, the plea agreement.

THE COURT: I don't think the judgment of conviction is in the court record, but I don't know.

MR. LEWIN: The Court record is here in this court. It is a matter of public knowledge.

THE COURT: He has been convicted we know that.

MR. LEWIN: The judgment of conviction is in the court record. We have a certified copy in the court record. The judgment of conviction, which includes whatever sentence he obtained, the plea agreement and the information that he plead to, those are the things which we should be able to offer.

THE COURT: Let's see the stipulation, Joe. The stipulation was Stipulation No. 9, which was filed on March 23rd, which taking away the other verbiage was: "The person who wrote the blackmail letter to Nelson Bunker Hunt was Arthur Emens, III, an employee of Ming Commodity Services, Oklahoma City, Oklahoma from October, 1979, until May 1981. Prior to his employment with Ming commodity services, Mr. Emens was employed by Cargill Investor Services on the floor of the Commodities Exchange in New York City. Mr. Emens plead guilty to blackmail on May 27, 1982."

Now, it doesn't even mention the court. Somehow I had a memory of that but that may have been through some other source, other conversation that we had in or out of the presence of the jury.

MR. WEINGARTEN: It is totally beyond me that this is relevant in any way, shape or form. The last question to this witness was directed towards what was Bunker Hunt doing with his attorney vis-a-vis the blackmail letter. That was totally relevant in response to his direct examination.

THE COURT: Mr. Lewin, and I have to admit when Mr. Irwin is on the stand, just as I think Mr. Campbell did, we have a little trouble with those two surnames Irwin and Lewin, some for some reason. There are similarities, but certainly I know the difference.

You certainly may ask, as a result of the redirect, or recross, you may certainly ask if he knows what the disposition of Mr. Emens is, but you are not in a position to testify and tell him what that disposition is.

MR. LEWIN: May I put in the record the judgment of conviction?

THE COURT: No, because I don't think it is appropriate. We do have the fact there was a Mr. Emens. We have the fact that he plead guilty. The jury will have that stipulation before it that he plead guilty. If Mr. Irwin knows of the disposition of Mr. Emens' case, I will let him testify to that, and follow through to this question and to this testimony. Of course, you can explore anything else about the letter but as far as Mr. Emens, I will have to hold it to that point.

MR. WEINGARTEN: Just so there is no confusion, when the Court says disposition, is the Court referring to the fact that Arthur Emens was convicted of blackmail in the District of Columbia?

THE COURT: Yes. I don't know whether it was the District of Columbia or not?

MR. WEINGARTEN: Nothing to do with plea agreements, nothing to do with sentencing.

THE COURT: No. Let me make it very clear. The disposition, if he knew where, it occurred, in which court it occurred, if he knows, he can tell us. If he knows what the final sentence was, nothing about plea agreements or anything else, if he knows, he can tell us. If he doesn't know, he doesn't.

MR. WEINGARTEN: May I inquire, how is what Arthur Emens was sentenced to relevant to this case?

THE COURT: All right. It may not be specifically relevant but it does complete the little chapter. He plead guilty. Let them have that much but not the plea agreement. That has nothing to do with this.

(End of bench conference)

THE COURT: Mr. Lewin.

BY MR. LEWIN:

Q. I asked you, before we had the bench conference, Mr. Irwin, whether you knew that one Arthur Emens was the person who had written the blackmail letter?

A. Yes, sir.

Q. You knew that that individual had nothing to do with Congressman Hansen?

A. That is correct.

Q. Did you know what the disposition of the charges against Mr. Emens were?

A. Mr. Emens, I believe, was found guilty of misdemeanor extortion. I believe he was fined and given some number of hours of community service.

THE COURT: We thank you for your testimony. I just ask that you not discuss it with any other possible witness in this case until this matter is concluded.

THE WITNESS: Thank you.

THE COURT: Next witness.

MR. LEWIN: Your Honor, may we approach the bench on the next witness?

THE COURT: If necessary, yes.

(Bench conference)

MR. LEWIN: There is an evidentiary question, Your Honor, with regard to the next witness, on which we would like a ruling in limine. The next witness is Mr. Caruso, about whom there has been some testimony that he was present at the meeting with Mr. Giuliani and the other gentlemen on that date of April 6th.

Mr. Caruso, I have interviewed him. He will testify about what was said during the meeting, that the matter was fully explored, the questions were asked and so on. The gentlemen at the meeting then left. Mr. Caruso has advised me that subsequent to the departure of everybody from the meeting, Mr. Giuliani said to Mr. --

THE COURT: Nobody else was at the meeting or was there anyone else left?

MR. LEWIN: Nobody other than Mr. Giuliani and Mr. Caruso.

THE COURT: Just the two.

MR. LEWIN: Congressman Hansen and the others had all left. Subsequent to the departure, Mr. Giuliani said to Mr. Caruso words to the effect, "He is either on the level or " --

THE COURT: Who is "he"?

MR. LEWIN: Speaking about Congressman Hansen. The words that were used were to the effect, "He is either on the level or he is constructing a defense for himself." Those words, we submit, were said out of the presence certainly of Congressman Hansen. They constitute hearsay with regard to him and would not be admissible.

Mr. Caruso has told me, as I think he told Mr. Weingarten, and I have advised Mr. Weingarten that I was going to raise it with Your Honor, that he would respond to questions relating to that if Your Honor ruled --

THE COURT: We don't want the jury to hear.

MR. LEWIN: If Your Honor ruled that that was admissible. If, on the other hand, Your Honor rules it is not admissible, of course he will not testify to that. Our submission is that that statement is not admissible. It is purely hearsay. It was said by Mr. Giuliani to Mr. Caruso and we request a ruling from the Court in advance so that the matter can be communicated to Mr. Caruso so he will know he is not to refer to that.

THE COURT: How about to Mr. Giuliani, too, while we are covering it?

MR. LEWIN: Right. Mr. July any, I talked to him, he was planning to be in Washington Thursday morning. So out of convenience to his schedule, I told him we would call him to appear Thursday rather than to appear today.

THE COURT: They are both listed?

MR. LEWIN: They are both listed, right. But that is where we stand with regard to that, but the same issue would come up with regard to Mr. Giuliani.

THE COURT: You have discussed it with him also?

MR. LEWIN: Yes.

MR. WEINGARTEN: Your Honor, Mr. Lewin and I discussed this earlier. I said, our response, as to whether or not we would try to elicit this type of testimony from Mr. Caruso, would depend upon what evidence is first elicited from him through Mr. Irwin and Mr. Caruso.

Evidence was elicited through Mr. Irwin as to what Mr. Giuliani said to them. There could only be one purpose to that evidence and that is to reflect the intent and the state of mind of the Department of Justice at the time they received the blackmail allegation. It is only fair that we be allowed to respond to that with evidence in kind, and evidence in kind would be evidence of Mr. Giuliani's state of mind immediately following that meeting.

THE COURT: My concern about this is the testimony of Mr. Irwin that said that Mr. Giuliani had said that he you wouldn't be here if he weren't interested, or something to that effect. We all heard the testimony coming through, as a reflection, purportedly, of what Mr. Giuliani had said to everybody present or to those who remained.

You know, normally I would agree with you, Mr. Lewin, that it should not come in. I think perhaps the best we can do is to tell Mr. Caruso not at this point to volunteer it, and we will see where the testimony goes at that point. You are trying to show the state of mind of these people and how they are reacting, are you not?

MR. LEWIN: No.

THE COURT: How they are reacting to Mr. Hansen and

/

Mr. Hunt, through his emissaries, concern about this letter, you are bringing it to their attention.

MR. LEWIN: That is right.

THE COURT: You are interested in their reaction and what they did about this?

MR. LEWIN: Your Honor, the reason we have introduced this evidence, and the only argument I will be making to the jury with regard to it, as we have indicated in our pretrial motions, relates to Congressman Hansen's consciousness of innocence with regard to this. I am not trying, and I will represent to the Court, I will make no argument to the jury that the Department of Justice thought this was credible or believable or anything, neither one way or the other. The only reason that Mr. Irwin testified to it is that it happened in the course of the meeting. It appears in his memorandum.

THE COURT: The memorandum hasn't been admitted.

MR. LEWIN: I understand. But it happened. I mean, it was said in the course of the meeting. It was the reason he explained for cutting off some of the elaboration of all the details that Mr. Giuliani said, "Look, you wouldn't be here if this wasn't right. So therefore you needn't bother going any further."

So we are not trying to presume, in any way, Mr. Giuliani's state of mind. I will not be suggesting that Mr. Giuliani thought that the people were innocent. I am interested in showing that the matter was brought to the attention of the Department of Justice, and as I say, I will not make an argument based on that statement that indicates that they thought he was not culpable.

THE COURT: But the problem is, Mr. Lewin, Mr. Irwin, having testified that Mr. Giuliani said, "You wouldn't be here if you weren't innocent," I am paraphrasing, I recognize that, really opens up the door to what Mr. Giuliani said, expressing his sense of the matter at that time. This is Mr. Giuliani's view of, "You wouldn't be here unless you were innocent."

MR. LEWIN: Your honor, A, not out of the presence of the defendants, or the defendant; B, not out of the words of another witness. If Mr. Giuliani -- you know, I think it is a different issue, again, if we were to call Mr. Giuliani and he were here to be cross-examined, and our present intention is to call him, but if he is here, and the question of what he intended was an issue, then whatever statements he made or did not make might be relevant.

I will represent to the Court that I have, in speaking with Mr. Giuliani, Mr. Giuliani has said to me, "Look I made that statement but I didn't have any basis for it. It was an unfair statement to make. I had no basis for making that statement." But he says, "I recall having made it."

Sure, when Mr. Giuliani is here on Thursday, if Your Honor says this is all admissible, I will go into it with Mr.

Giuliani and explore the fact that there was no basis for his statement, even if he made it.

With regard to Mr. Caruso making the statement, I think it is clearly inadmissible. It is classic hearsay in this instance. Mr. Caruso said another man said something. We don't have the declarant on the stand to explain what he said.

THE COURT: But Mr. Giuliani is or is not going to be here?

MR. LEWIN: He is going to be here on Thursday.

THE COURT: The jury has been so advised, in a sense, "Do you recognize this name, and you have told us earlier on he is going to be here.

MR. LEWIN: I have spoken to him. I told him to be here Thursday. Now, to be candid with Your Honor, in view of this issue, I mean, I had some doubt in my own mind whether it was wise to put him on the stand. But it appears to me that his statement to Mr. Caruso is clearly hearsay with regard to Mr. Caruso testifying about it.

If Mr. Giuliani were here, it is another issue, but I would think, even with regard to Mr. Giuliani, and particularly if the statement is not being introduced to examine rest any Department of Justice official's state of mind, it seems to me it is very remote to be saying because Mr. July an think makes that kind of a statement to people that is proof in this case of some kind. I don't think the jury is likely to draw that inference.

The whole purpose of that evidence is consciousness of innocence.

MR. WEINGARTEN: Your Honor, Mr. Lewin wants his cake and he wants to eat it too. He knew that the Giuliani statement from Irwin was in that memo. Nevertheless, he elicited it. He did not tell Mr. Irwin to ignore that statement and testify around it. Now he comes back and says that if Mr. Giuliani's words are introduced through another witness it is hearsay after just having done that on the witness stand with his own witness. That really is having your cake and eating it, too.

MR. LEWIN: Your Honor, a statement made in the presence of the defendant is not, in that sense, hearsay. If Mr. Giuliani made it to Congressman Hansen and made it in the presence of the other people, then it is part of the conference that took place at that time. The fact that Mr. Giuliani may make some statements at a later date regarding Congressman Hansen, I don't think Mr. Weingarten would be claiming he is entitled to put in every statement Mr. Giuliani may have made regarding Congressman Hansen.

MR. WEINGARTEN: I don't know what the presence or non-presence of the defendant has to do with hearsay. I mean, if the evidence of Mr. Giuliani's words are relevant through Mr. Irwin, to demonstrate whatever demonstrate, they are equally relevant five minutes later when we examine Mr. Caruso on exactly the same issue.

MR. LEWIN: I did not hear any objection from Mr. Weingarten when Irwin testified to that statement. To that extent, Mr. Weingarten is saying to me, "that statement may not go in." Mr. Weingarten I did not object to any statement made by Mr. Giuliani at that meeting. He recognizes that the statements made during that meeting were relevant to the intent of consciousness and innocence in this case. Consequently, they are proper evidence.

But the fact that this statement was made later on by Mr. Giuliani, I submit, is not -- in any event, if what Your Honor is saying is okay the proper person to explore with this is Mr. Giuliani, our present intention is to have Mr. Giuliani on the stand Thursday morning. I guess it can be explored with him, but it should not be done with Mr. Caruso who doesn't even know what he said. I can speculate what he said.

THE COURT: I am not going to let it in through Mr. Caruso. If Mr. Giuliani is called either by the defense or the prosecution, and he is a witness obviously available to both sides, it may well come in through him.

I have to admit I am concerned about the statement that Mr. Irwin made -- I grant you there was no objection to it -- with reference to you wouldn't be here if you weren't innocent." I think it was repeated more than once. I know you are frowning, Mr. Lewin, but the record will reflect whether it was or not. That was my memory. Not through Mr. Caruso, but certainly if Mr. Giuliani comes in here, I wouldn't doubt if that matter is going to be explored. As I say, the government can call him.

MR. LEWIN: Sure. Thank you.

THE COURT: All right. Can I advise Mr. Caruso of that?

THE COURT: Yes, just briefly.

(End of bench conference)

Whereupon,

KENNETH A. CARUSO

was called as a witness by counsel for the Defendant and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

THE COURT: Good afternoon, Mr. Caruso.

THE WITNESS: Good afternoon, Your Honor.

DIRECT EXAMINATION

BY MR. LEWIN:

Q. Could you please state your full name for the Court and jury?

A. My name is Kenneth A. Caruso.

Q. Caruso is spelled?

A. C-A-R-U-S-O.

Q. Mr. Caruso, what is your employment?

A. I am Assistant United States Attorney in the southern district of New York. I am a federal prosecutor in New York City.

Q. You prosecute criminal cases?

A. That is correct.

Q. For the government?

A. Correct.

Q. How long have you been an attorney?

A. I graduated from law school in 1977.

Q. Following your graduation from law school in 1977, where were you employed?

A. I was a law clerk to a federal district judge in New York City for one year. I was in private practice with a New York City firm for two and a half years. I was a special assistant to the Associate Attorney General of the United States here in Washington for two years, and I have been an Assistant United States Attorney for just about a year.

Q. The private practice that you were engaged in was with which firm?

A. Patterson, Belnap, Webb & Tyler.

Q. Was a member of that firm Rudolph Giuliani?

A. Yes.

Q. That is the same gentleman who subsequently became Associate Attorney General?

A. Yes.

Q. In what year did Mr. Giuliani become Associate Attorney General?

A. 1981.

Q. Did he ask you to come over and join him in any capacity at the Department of Justice?

A. Yes. I became his special assistant, a member of his staff.

Q. As Associate Attorney General, what were Mr. Giuliani's responsibilities?

A. He supervised the criminal justice components of the Department of Justice, that is, the criminal division, which the lawyers prosecute criminal cases, the United States Attorneys, which are the lawyers in about 95 different cities around the country, who prosecute criminal cases. He supervised the Bureau of Prisons, the United States Marshal's Service. All the criminal justice components within the Department of Justice reported to him essentially.

Q. So he was a supervisor over all federal prosecutors essentially?

A. Yes.

Q. In that respect, is it fair to say he was the highest ranking official at the Department of Justice responsible for criminal cases in the United States?

A. Well, that is not quite accurate, but the Attorney General and the Deputy Attorney General are responsible for criminal prosecutions and they are above Mr. Giuliani.

Q. They are responsible for criminal prosecutions, as well as many other things?

A. That is right.

Q. But in terms of a narrow focused area of responsibility, he was the top man?

A. Yes.

Q. He first entered on his duties about when?

A. I believe he started before he was confirmed by the Senate, in about February of 1981, and I believe he was confirmed by the Senate in April of 1981.

Q. Specifically, in April of 1981, were you already on board?

A. Yes. I am not sure if I was formally appointed yet either, but I was either appointed to that job or acting in a designate capacity.

Q. Directing your attention specifically to the date of April 6th, 1981, which was a Monday, and to the morning of that day, do you recall any meeting being held there at the Department of Justice with Mr. Giuliani and yourself?

A. Yes.

Q. Could you tell us how come you were present at that meeting?

A. Well, Mr. Giuliani asked me to be present at that meeting.

Q. And to join him?

A. Yes, sir.

Q. To your recollection, was there anybody else from the Department of Justice there?

A. I don't recall anyone else from the Department of Justice being at the meeting.

Q. Do you recall who the meeting was with?

A. Yes, I do.

Q. Who was it with?

A. The meeting was with Congressman Hansen, a man who I believe was a member of Mr. Hansen's staff, and I believe two attorneys who came to the meeting with that group. I don't know if they were Mr. Hansen's attorneys or not. I believe it was those four individuals, Mr. Giuliani and myself.

Q. When you say Congressman Hansen, do you see him in the courthouse today?

A. Yes, Congressman Hansen is sitting in the courtroom at the end of defense table.

Q. Did you know, before the meeting began, what the purpose of that meeting was?

A. No, I don't think I did.

Q. Could you describe for us what happened at that meeting?

A. Yes. Congressman Hansen and the other gentleman arrived and we went into our conference room. I can't recall exactly who said what, but the congressman, as well as the other people who were with him, explained that he and, I think this Nelson Bunker Hunt, had been the recipients of a letter which they said sought an extortion payment, a blackmail payment, from them.

A copy of the letter was shown to us, and perhaps even given to us. I don't recall that. We read the letter. We discussed it. We discussed likely prospects, who might have sent this letter which demanded a sum of money, on pains of disclosing that a bribe had been paid.

Q. Do you recall Congressman Hansen going into some detail concerning a silver commodities transaction that was discussed in that letter?

A. He discussed that, yes.

Q. Let me place before you, Mr. Caruso, what is in evidence as Defendant's Exhibit 2. Is that the letter that was shown to you at that time?

A. This is a copy of it, yes.

Q. If you will look at that, you will see that the letter refers to a silver commodities transaction, is that correct?

A. Yes, it does.

Q. Was that silver commodities transaction discussed?

A. Yes, it was.

Q. Was the fact that Mrs. Hansen had made a profit of

$87,000 discussed?

A. Yes, it was.

Q. Did Congressman Hansen respond to questions by Mr. Giuliani and/or yourself regarding the details of that transaction?

A. Yes, I think he did, yes. I don't recall specifically the questions that were asked and answers that were given, but there was a discussion.

Q. To your recollection, all questions that were asked were answered?

A. Yes.

Q. To your recollection, did Mr. Giuliani tell the people who came that an investigation would be begun?

A. Yes, I think he told them that.

Q. Did he tell them that he would send out the FBI?

A. He told them he would contact the FBI and that FBI agents would get in touch with the congressman and anyone else who they thought might have some relevant information.

Q. During this meeting, were you taking any notes?

A. I don't recall taking any notes. I don't recall taking notes, I might have but I don't recall doing that.

Q. Did you find any notes at all?

A. No. I have looked for that, for notes of that meeting, and I haven't found any in the files that I have from that period of time.

Q. How did the meeting end?

A. The meeting ended with our saying -- Mr. Giuliani saying, that he would get in touch with people, officials at the FBI, and that some agents would get in touch with the people who should be interviewed.

Q. To your knowledge, was that done?

A. Yes, it was.

Q. Did you hear again from Congressman Hansen later that afternoon?

A. I don't recall hearing again from him. I don't recall that, no.

Q. Do you recall that there was any complaint about the investigation being conducted in any amateurish way or anything along that line?

A. I don't recall it.

Q. Could it have happened and you just don't recall it today?

A. I am saying I don't remember one way or the other if there was such a conversation. There could have been but I don't remember whether there was or not.

Q. Did you ever follow-up to find out what the result of the investigation was?

A. Well, I have to answer, as put, the answer to that question is no, I did not.

MR. LEWIN: Thank you.

THE COURT: Cross-examination.

CROSS-EXAMINATION

BY MR. WEINGARTEN:

Q. Good afternoon, Mr. Caruso. We, of course, know each other from your service here in Washington?

A. Yes, we do.

Q. Mr. Caruso, when was the April 6th meet set up?

A. On the morning of April 6th.

Q. To your knowledge, is the Department of Justice and the FBI open on the weekends, for emergencies?

A. Oh, yes, of course.

Q. Did Congressman Hansen talk to you about problems he may have had with the IRS or a book he was writing?

A. Yes, he mentioned that. He talked about the Internal Revenue Service and problems that he perceived in that service.

Q. Was this part of the April 6th meeting?

A. Yes, at the same meeting. There was only one meeting, and he discussed the IRS at that meeting. He told us he would send us a copy of a book he had written about the IRS.

Q. Mr. Caruso, did you perceive any relevance between the blackmail letter and Mr. Hansen's talking about the IRS?

A. No.

Q. Did Mr. Hansen ever volunteer any information about a soybean deal between Mrs. Hansen and Nelson Bunker Hunt?

A. I don't recall any such discussion, no.

Q. Did he ever discuss anything about a loan Mr. Hunt may have made to Mrs. Hansen or Mr. Hansen?

A. I don't recall any such discussion.

Q. Was Mr. Hunt mentioned during the recitation of facts?

A. Yes, oh, yes.

Q. Now, there was some discussion about a silver transaction, was there not?

A. There was.

Q. I think pursuant to a question from Mr. Lewin, you answered that in fact someone represented that Mrs. Hansen had made an $87,000 profit?

A. Yes, that is right.

Q. Was information also provided to you that in fact it was Mr. Hansen who spent that money?

A. No.

Q. Now, as a result of the April 6th meet with the congressman and his colleagues, what investigative steps were forthcoming?

A. The matter was referred to the FBI.

Q. Please continue.

A. Ultimately to the public integrity section of the criminal division in the Justice Department.

Q. Is it normal, within the United States Department of Justice, when there is an investigation, for the FBI to do the investigative work and the prosecutive component of the criminal division to assume the legal end of it?

A. Yes, that is the way it happens.

Q. In this instance, what component of the criminal division was assigned the case?

A. The public integrity section.

Q. To your knowledge, what kinds of cases does the public integrity section handle?

A. The public integrity section handles only one kind of case, and that is cases involving allegations of wrongdoing by public officials.

Q. If this case had been perceived just as a blackmail, would the case have been assigned to the public integrity section?

A. No, it shouldn't have been.

Q. Have you ever heard the expression, "race to the prosecutor's office?"

A. Yes, I have.

Q. What does that mean to you, sir?

A. That means, in a situation where there are several people who may be involved in a crime, the first one to reach the prosecutor's office can sometimes cut the best deal for himself or begin to create a defense for himself.

MR. WEINGARTEN: Thank you, sir.

THE COURT: Mr. Lewin.

REDIRECT EXAMINATION

BY MR. LEWIN:

Q. Mr. Caruso, this information that you have just told Mr. Weingarten regarding the assignment of the case to the public integrity section, did you follow that back in 1981? Were you involved in the assignment of this case to the public integrity section?

A. Was I involved in the assignment of it? No.

Q. Do you know when it was assigned to the public integrity section?

A. I don't know when it was assigned, no.

Q. So you don't know whether, as of April 6th, or indeed any time in April, or May or June, or any time at that point, when it was assigned to the public integrity section?

A. It got assigned to the public integrity section.

Q. At some point because you know Mr. Weingarten, and he is with the public integrity section?

A. That is not the only fact that leads me to that conclusion. But it was, at some point in time, assigned to the public integrity section, but I don't know when.

Q. Now, with regard to the matter of the Internal Revenue Service and Congressman Hansen's discussions of the Internal Revenue Service --

A. Yes.

Q. -- it was pretty clear that that letter was suggesting an impropriety on the part of Congressman Hansen, was it not?

A. Yes, yes.

Q. You don't have any doubt about it, do you?

A. The letter suggested impropriety on the part of Congressman Hansen, that is absolutely right. It suggested that.

Q. If Congressman Hansen was trying to explore why somebody would be trying to create some difficulty for him, he might explore what differences he had had with either agencies or others?

A. Yes.

Q. And it was that in context that all that discussion came up about people who there might be some problem with or how he had taken public stands?

A. Yes, I think that is right.

Q. He indicated that he had taken very strong public stands on a number of issues?

A. He did.

Q. And IRS was only one of several that were discussed?

A. I recall the discussion about the IRS. I don't specifically recall discussions about other specific issues. He did say that he had taken various public stands on various issues.

Q. Therefore, because he had made himself a public figure in that regard, there might be people who might be taking or seeking to take some kind of threats against him?

A. Yes.

Q. Did he suggest in any way that in that letter there was also a substantial foreign policy element that raised a problem?

A. I don't remember him suggesting that at that time. I do recall a discussion of that at some point in time. I am not sure when, but there is this document in evidence. It says something about financing an operation that won't violate U.S. laws. There was some suggestion that there was some sort of foreign policy.

Q. But there were foreign elements in there involved in some kind of insurrection or something?

A. That is what the document says.

Q. That is what the document says?

A. Yes.

MR. LEWIN: Thank you.

THE COURT: Anything further?

MR. WEINGARTEN: No.

THE COURT: Thank you for your testimony, Mr. Caruso. You are excused. I ask, of course, you not discuss it with any other possible witness in this case until the matter is concluded. Have a good day.

THE WITNESS: Thank you.

THE COURT: Next witness, Mr. Lewin.

MR. LEWIN: We call John Runft.

May we have a brief bench conference?

THE COURT: Yes.

(Bench conference)

THE COURT: What do we have?

MR. LEWIN: Your Honor, this present witness and the next witness, who is Mr. McKenna, were individuals who are attorneys. Mr. Runft is Congressman Hansen's private attorney. His office is in Boise. He has frequent consultation with the congressman on legal matters. He will be testifying about advice that he has given to the congressman regarding the disclosure of these matters and his participation in the property settlement agreement.

THE COURT: Regarding the disclosure of which matters, financial disclosure statements?

MR. LEWIN: Yes, financial disclosure statements and things of that nature, and with regard to the preparation of the property settlement agreement.

Congressman Hansen, of course, for purposes of this testimony, waives the attorney-client privilege for that limited purpose. I just want to be sure that, I think it is clear from the cases, that wherever there is an "advice of counsel" defense in a criminal prosecution, and an attorney testifies in terms of advice of counsel, it is permissible to go into that and there is a waiver for that purpose.

That does not mean, of course, that there is a waiver in any other areas pertaining to the attorney-client privilege, only to the extent of matters disclosed to counsel for purposes of that legal advice, statements made by counsel to the client with regard to that specific matter. But I just want to make clear and put on the record that the waiver is limited to the work that Mr. Runft and Mr. McKenna did in the area of the separation of property agreement, the consultation regarding the financial disclosure forms and those areas.

THE COURT: Of course, the waiver extends to the reasonable cross-examination on those matters, too.

MR. LEWIN: Of course.

THE COURT: Not just the direct examination.

MR. LEWIN: Of course, of course. But I just want to be sure that there is no question in the record that by putting Mr. Runft on the stand we are not simply saying that Mr. Weingarten or Mr. Cole can cross-examine him about any unrelated matters simply because he is an attorney.

THE COURT: You wouldn't be examining him on unrelated matters either, because we have to focus on what is in the case. And anything that is brought up in the case or has relevance to the case is a legitimate subject of cross-examination, right?

MR. LEWIN: Yes.

THE COURT: You do recognize, and of course the prosecutors can speak for themselves, I am just talking in general about this and the next witness, if the similar situation pertains, and I assume what you are saying for Mr. Runft, and you are also saying as to Mr. McKenna the same similar kinds of applications apply?

MR. LEWIN: Yes.

THE COURT: Obviously, cross-examination, as you know, has some elasticity to it, just as has been exercised on both sides of the table here.

MR. LEWIN: I understand.

THE COURT: Counsel for the government has heard you.

MR. LEWIN: Fine.

(End of bench conference)

Whereupon,

JOHN L. RUNFT

was called as a witness by counsel for the Defendant and, having been duly sworn by the Deputy Clerk, was examined and testified as follows:

THE COURT: Good afternoon.

DIRECT EXAMINATION

BY MR. LEWIN:

Q. Mr. Runft, could you please state and spell your full name?

A. My name is John L. Runft, R-U-N-F-T.

Q. Mr. Runft, where do you reside?

A. Boise, Idaho.

Q. How long have you lived there?

A. I have lived there approximately 30 years.

Q. What is your occupation?

A. I am a lawyer.

Q. How long have you been a lawyer?

A. I have been a lawyer since 1965. That is 20-some odd years now, almost.

Q. Could you just describe for the Court and jury your education from college?

A. Yes, I attended the College of Idaho, it is a private college located in Caldwell, Idaho, and from there to the University of Chicago Law School, where I acquired my doctor of jurisprudence.

Q. In what year did you receive your JD from the University of Chicago Law School?

A. Yes. I graduated from the University of Chicago in 1965.

Q. What firm are you with at present?

A. I am with the firm of Runft, Leroy, Stecher, Coffin & O'Riordan.

Q. Have you been in partnership with others in past years?

A. Certainly. As a young lawyer starting out, I was employed as an associate in a firm in Boise by the name of Moffat, Thomas, Barret & Blanton and later became a member of the firm of Eberle & Berlin where I became a partner before I started my own law firm.

Q. From then on, you have been the principal partner in a law firm, which has had other partners?

A. That is correct, since 1974, July 1, 1974, to be specific.

Q. Could you just describe for the Court and jury what bars you are a member of?

A. I am a member of the Idaho Bar, through the Idaho Supreme Court, a member of the District Court of Idaho, the Ninth Circuit Court of Appeals, the Court of Claims, United States Court of Claims, the Court of Appeals for the Federal Circuit and also a member of the Bar of the United States Supreme Court.

Q. Is there any work that you do as a specialty or any area that you do more work in than others?

A. Personally, I have been involved in considerable amount of administrative law, litigation regarding administrative law, frequently with constitutional aspects. Our firm, and I, do a lot of work in the areas of business, commercial law, frequently with the government agencies, and quite a bit of natural resources law.

Q. How many attorneys are there in your firm right now?

A. We have nine.

Q. By Idaho standards, that is a good sized firm?

A. That is a medium sized firm, yes.

Q. Are you a member of any bar associations or organizations?

A. Yes. I am a member of the Idaho Bar Association, the American Bar Association and the American Judicature Society.

Q. Have you published in any legal journals?

A. Yes. After I had been a member of the Idaho Bar for several years, I published an article in the Idaho Law Review and I have published several pamphlets dealing with certain areas of administrative law.

Q. Mr. Runft, among your clients, is Congressman George Hansen one of them?

A. He is.

Q. How long have you had Congressman Hansen as a client?

A. Since August of 1974.

Q. What kinds of matters has he consulted you about?

A. Congressman Hansen has --

MR. WEINGARTEN: Excuse me. May we approach the bench.

(Bench conference)

MR. WEINGARTEN: I hate to do this, but that question is what matters did he consult this lawyer on. This man represented him in his criminal case here in the District of Columbia. I mean if he is going to ask those questions, I should be able to respond.

MR. LEWIN: Okay. I will phrase the question differently.

THE COURT: Has he been cautioned not to discuss that matter?

MR. LEWIN: I am sure he knows that. I will ask him that --

THE COURT: I think we better bring him up here and address that to him once again. I would hope with the rest of your witnesses that that is a matter you should take care of. I am trying to protect it for you and for the trial.

MR. LEWIN: I know that.

THE COURT: But I have to say, in reference to your original request as to how you are exposing Mr. Runft, if you ask him what kinds of matters he has consulted with Mr. Hansen on, that opens the world.

MR. LEWIN: This is a background question, which I just want to get in the fact that he has discussed with him personal and financial and other matters.

THE COURT: If it starts to be specific, then when they ask certain questions I have to allow it. So I am giving you fair notice.

MR. LEWIN: I will ask the question another way.

THE COURT: Yes. Mr. Runft, come up here for a moment, please. We will save time and don't have to put the jury in and out.

Whatever questions are being addressed to you, I understand you have not been advised that you are not, I repeat, not to discuss anything about Congressman Hansen's prior conviction. The jury is unaware of it. So answer the questions, of course, truthful but that is one matter that you cannot refer to. Mr. Lewin will make sure of that with subsequent witnesses that those he is calling are fully aware they are not to discuss Congressman Hansen's prior conviction.

So you are asked the question what you had consulted him about. If that question is still going to be asked of you after this recess, by all means answer to your heart's content, except for that one matter.

THE WITNESS: I will.

THE COURT: Is that understood?

THE WITNESS: I will follow that admonition.

THE COURT: All right. Fine.

(End of bench conference)

BY MR. LEWIN:

Q. Mr. Runft, in representing Congressman Hansen, have you represented him in connection with personal financial matters?

A. Yes, I have.

Q. Since, you say, 1974, that period of time, he has called you on the telephone from Washington to discuss matters that relate to his personal finances?

A. Yes, he has. He has called me on personal matters, campaign matters, all sorts of matters.

Q. Directing your attention specifically, Mr. Runft, to early or mid-1976, did Congressman Hansen discuss with you the matter of his and his wife's financial obligations as of that time?

A. In mid-1976, I can recall we had discussions about their financial circumstances at that time. They were general conversations to begin with, and I recall they were, of course, addressing the specific issues to their accountant at that time, yes.

Q. Could you describe for the Court and jury specifically what the circumstances were that were being discussed with you and that you were being consulted about, as of that time?

A. I believe it was in 1976 that Congressman Hansen wanted to have me prepare a means by which the congressman could, as I recall, solicit personal funds, separate from campaign funds, if this would be a possibility under the Federal Election Committee regulations.

He asked me to look into the matter, the question being, at the time, whether such a solicitation could be separated from campaign solicitation. And so I spent some time looking into the law in that regard.

Q. Had you become aware, at that time, about the financial circumstances of Congressman and Mrs. Hansen?

A. Yes.

Q. Could you just describe for us what, to your understanding, were their financial circumstances as of that period of time?

A. The congressman and his wife had a considerable amount of debt at that time, which had been, to a large degree, the result of some --

Q. Without going into what the reasons were, just describe for us what the circumstances were as of that time.

A. Circumstances, yes, I understand. The circumstances were that the Hansens did have a considerable amount of debt and they desired to seek a way, within the law and properly, with my advice and the advice of their accountant, a way in which they could ameliorate the situation.

Q. The specific means that were being suggested were to do what?

A. Well, initially, the thought was to determine whether the congressman could solicit, privately, funds from potential donors that would not be used for campaign purposes, and we approached the Federal Election Committee on that basis.

Q. Was there, as of that time, a federal law which restricted the means under which funds could be solicited for campaign or political purposes?

A. Well, the Federal Election Committee was directed by a statute at that time, which was in force. That statute, I don't recall exactly when it came into being, but it did follow on the heels of the House Administration Committee, which had formally exercised that jurisdiction.

The new law did set forth the standards by which office holders, such as congressmen, could raise money, directed principally toward campaign money and political exercise.

Q. So just to make that clear, the Federal Election Commission was a federal agency which regulated how congressmen could collect funds for campaign purposes?

A. Correct.

Q. And for election purposes?

A. Right.

Q. This particular matter on which you were being consulted was whether there was some way, consistent with that federal election law, under which solicitations could be made to cover personal obligations, is that right?

A. That is correct, and whether there was a way that could be devised whereby Congressman Hansen could, within that law, go forward and make these private solicitations, some way he could raise money.

Q. So that people would be able to contribute to him and his wife personally?

A. That is correct.

Q. Did you, pursuant to those discussions, attempt to work out some arrangement which would be consistent with federal election law?

A. I did. I spent a considerable amount of time analyzing the federal election law, and spent several trips to the Federal Election Commission itself, where I met with a gentleman named David Stein, who was a lawyer there, and also with a Mr. Leitenberg, or it might have been Lietchfield. My notes would tell me.

But in any event, I met with the attorneys for the Federal Election Commission, analyzed the law, and eventually devised a law which I submitted to George. He reviewed it. This plan was prepared and submitted in writing to the Federal Election Commission for an opinion.

I may add that the law of the Federal Election Commission, one of its duties was to issue opinions upon request by counsel for the congressman, so the congressman could go to the Commission and ask for an opinion as to their plan.

Q. Let me place before you, Mr. Runft, Defendant's Exhibit 30 for identification, and ask you whether you recognize that document?

A. Yes, I do.

This document is dated February 18th, 1977. It is a copy of the letter which I assisted Congressman Hansen in drafting, which was addressed to the Federal Election Committee requesting an advisory opinion on the plan that I had devised.

Q. You drafted that letter essentially?

A. Yes.

Q. It was submitted to the Federal Election Commission on behalf of Congressman Hansen, signed by him?

A. It was, under his signature, yes.

MR. LEWIN: I offer Defendant's Exhibit 30 in evidence.

MR. WEINGARTEN: Hasn't the Court ruled on it already?

THE COURT: I believe I have, but I think it is very important I see counsel at the bench. You can sit there for a moment, if you wish, sir.

(Bench conference)

THE COURT: One of my continuing difficulties, gentlemen, is, of course, I don't have a copy of this document at the time it is being offered into evidence. I will have to rely upon counsel.

There isn't a single word mentioned in this one or any of the forthcoming documents, that refers to guilt, to innocence, to conviction, to trial or to anything that surrounds that matter? There is no way I can foresee that it does or doesn't in light of seeing the document but it is really up to counsel to scrutinize it. I would say the same for the government's side.

We with did rule earlier as to those exchange of letters to and from Congressman Hansen dealing with these matters, that they would be admissible.

MR. LEWIN: Let me give you a copy.

THE COURT: Again, I am going to rely upon counsel offering it, because if there is something in there you will have to live with it, Mr. Lewin, just like with the witnesses.

MR. LEWIN: I understand.

THE COURT: In the future.

MR. LEWIN: Right.

THE COURT: Do I take it there is nothing in here concerning the matter?

MR. LEWIN: No.

THE COURT: I don't want to keep calling you up here each time for this matter.

Just for your information again, as to the group of correspondence to and from Congressman Hansen, Mrs. Hansen, if she is present to so testify, concerning his way that he concedes of these funds and how he can apply these funds, I have ruled he can bring that into evidence. I take it we have a continuing objection from the government. We don't have any objection by the government to responses but objection to the congressman's letters. But we will note the objections as they are appropriate at the time.

MR. WEINGARTEN: Fine.

(End of bench conference)

MR. LEWIN: We offer Defendant's Exhibit 30.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 30 was received into evidence).

BY MR. LEWIN:

Q. We have made copies of that just for publication to the jury. I don't think it is necessary for the jury to read the whole letter but since it is in evidence, while Mr. Runft is testifying about it, I would like to have the copies available to the jury to look at the letter.

THE COURT: The jury can have a copy to look at for a moment, but obviously I want their concentration to be on the witness' testimony. They will have the original of the document that is placed in evidence back in the jury room at the time of their deliberations.

So all I ask you, ladies and gentlemen, to take a quick, flipping look, so to speak, at the document that is now being perused, given to you for your perusal. But then I ask you to put it down. It will be collected by the marshal and the testimony will be ongoing. I don't want your attention to be diverted from the testimony.

We will wait a moment while they take a quick look at it, Mr. Lewin. Then they will be collected and we will go on with the testimony. Just a very quick look, please, ladies and gentlemen.

All right. They have been collected. We are ready to go on with the testimony.

BY MR. LEWIN:

Q. The letter states, Mr. Runft, does it not, that the request is being made, that second sentence of the first paragraph, "So it is submitted that federal office holders should be afforded the means to supplement their income provided by their federal salary if it can be done in a manner that will not influence or effect their nomination or election to federal office."

Was that the purpose of submitting this letter to the Federal Election Commission?

A. Yes, it was. The plan was designed to that purpose. All contributions were to be solicited outside of the district. That is under the provision herein.

Q. Why don't you summarize, since the jury has had a very brief opportunity to glance at the letter, why don't you summarize for us what it is, this plan you had come to, really provided for.

A. Well, it was designed to provide a means whereby Congressman Hansen could accept gifts from well-wishers. These gifts would have to be unconditional, and to avoid any implication at all of vote getting, the idea was to have these solicitations to be done outside the district. They would not be done in the Congressional district.

I went through the Act itself and tried to meet every single criteria. As you all saw, it is a rather lengthy set of provisions here, whereby I attempted to meet any of the possible objections to this kind of a plan.

For example, all the disbursements from gifts were to be paid out solely for the costs of the effort, that is to say, any money that would come in would be paid for the costs. There wouldn't be any money mixed with campaign money. There are many, many provisions here. But the purpose here was to achieve or receive unconditional gifts for purely a personal, non-political purpose.

Q. And the objective, looking at the bottom of the first page of Exhibit 30, you say, "That if federal office holders are held to a standard of 'personal gifts customarily received prior to candidacy,' and are to be severely limited in their receipt of honorariums and other extra federal income, they have little prospect of every overcoming extraordinary personal expenses or losses while pursuing their careers as federal office holders, unless they were wealthy prior to candidacy."

MR. WEINGARTEN: Is there a question?

MR. LEWIN: The document is in evidence. I think if I could publish part of the document.

THE COURT: The thing is, what is the question?

MR. LEWIN: I am asking him whether that was the objective, or indeed whether -- I don't know if I have to ask the question. May I just read that to the jury? That is part of the letter.

THE COURT: Not the whole letter.

MR. LEWIN: My purpose in originally distributing was to hope that the jury could read that. But instead could I just read it.

"There must be some provision by which federal office holders of modest means can overcome the burden of extraordinary personal expenses and losses while continuing to serve the constituency which elected them."

Was that the objective you were trying to achieve?

A. It was indeed. The concept here was, you take a congressman of modest means, who is not wealthy, and if he is subjected to extraordinary expenses, something perhaps beyond his control, how can he make up for it? He can't go out and go into business. He does not have the unlimited authority under the Act to collect a vast amount of honorariums from speeches. As a candidate, as an office holder, he is severely limited and is limited only to the income of his salary.

What we were attempting to do here, within the law, was to find a means by which these losses could be recouped.

Q. There was to be a maximum in terms of the permissible contribution?

A. $100.

Q. No contribution of more than $100 could be accepted?

A. It was felt, again as I say, the small contribution of $100 or less, solicitation outside the Congressional district, all these steps were taken to try to devise a means whereby the congressman could do this properly and within the law.

Q Any contributor would be asked to sign a statement which would indicate that he is making this donation for personal use and not to be given to influence any nomination or election or as a campaign contribution?

A. That is quite so, and the form is set forth in the letter, which we presented to the Commission.

Q. To your knowledge, that letter, Defendant's Exhibit 30, was submitted to the Federal Election Commission?

A. Yes, it was.

Q. To your knowledge, was there a response ultimately received from the Federal Election Commission?

A. Yes. A response came in March of 1977, approximately a month later.

Q. Let me place before you what has been marked as Defendant's Exhibit 32 for identification. What is Defendant's Exhibit 32 for identification?

A. Exhibit 32 is a copy of the opinion from the Federal Election Commission that was solicited in Exhibit 30. That is to say, the plan that we submitted was responded to by the

Federal Election Commission in an opinion, and this opinion is Exhibit 32.

MR. LEWIN: We offer Defendant's Exhibit 32 into evidence.

MR. WEINGARTEN: No objection.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 32 was received into evidence).

BY MR. LEWIN:

Q. That is a four-page letter, is that right?

A. It is a four-page letter. I had said that it was in March and it is indeed dated March 30, 1977.

Q. Does it set out, in separate paragraphs, the various conditions that you had specified in the letter that was submitted to the Federal Election Commission?

A. Yes, it does. This letter describes, again, the conditions under which the personal funds would be solicited in the plan that we submitted. It repeats them verbatim for several pages here.

Q. Directing your attention to page 3, the paragraph towards the bottom of the page, beginning with the word "based", have you found that page?

A. I have indeed.

Q. After the enumeration of the various conditions you had specified in your letter, could you just read for the Court and jury what that paragraph says on page 3?

A. All right.

"Based on your representations as to how the personal fund-raising would be conducted, and the conditions under which gifts would be solicited and accepted, the Act and proposed regulations would not apply. Accordingly, there is no obligation to submit to the Commission any letters, cards, affidavits or reports related to the described plan for personal fund solicitation."

Q. Now, could you tell the Court and jury what, in substance, the Commission was saying in response in its letter of March 30th, 1977?

A. Well, in substance, the Federal Election Commission, after reviewing the plan, concluded that the plan not being a campaign-type plan, was not within the Act; that is, it was outside of the act and not subject to the provisions of the Act, which limit and control campaign solicitations and contributions.

Q. In other words, it was not prohibited by the federal election law?

A. That is correct.

Q. So that so far as the federal election law is concerned?

A. It didn't apply.

Q. It did not apply and it was entirely permissible under the federal election law to conduct a campaign according to the standards that you had set out to collect contributions for personal expenses that the Hansens had incurred, or obligations that they had to repay?

A. If done in accordance with the plan that we had outlined.

Q. As outlined?

A. Yes.

Q. Now, Mr. Runft, did that conclude the matter insofar as the permissibility of such a solicitation was concerned?

A. No, it did not.

Q. Why not?

A. Because in considering the propriety of any plan of this nature, for a congressman, one not only has to consider the federal election law but also the rules and regulations of the House of Representatives, the body in which he serves, for those bodies have rules of standards and ethics which must be looked to.

Q. In the course of consideration of the plan by the Federal Election Commission then, had Congressman Hansen, as well, made application or formal submission to the appropriate house committee?

A. Yes, he did.

Q. Let me place before you, before you continue any further, what has been marked as Defendant's Exhibit 31 for identification.

MR. WEINGARTEN: Could we have a copy?

MR. LEWIN: Yes.

BY MR. LEWIN:

Q. I interrupted you. You said yes?

A. Yes, he did. You handed me Exhibit No. 31, which I recognize as being the copy of a letter dated March 14, 1977, to Richardson Preyer, a member of Congress and the chairman of the Select Committee on Ethics. This letter was signed by Mr. Hansen, Congressman Hansen.

Q. Was that letter submitted pursuant to discussions with you?

A. Yes. As a matter of fact, I reviewed this letter, I believe by phone, before it was submitted. Yes, I did.

MR. LEWIN: We offer Defendant's Exhibit 31 in evidence.

THE COURT: Subject to the earlier discussion at bench?

MR. WEINGARTEN: May we approach the bench?

THE COURT: All right. Will you step down, please.

(Bench conference)

MR. WEINGARTEN: It is not my style to try and sandbag Mr. Lewin by letting something in and coming back and trying to get the conviction in. I think that if the first paragraph is allowed in and the paragraph on the second page is allowed in it is grossly unfair to leave that on the record and disallow the government to prove that part of the quote unquote, "political harassment" and "dirty tricks", included him pleading guilty to campaign violations in this courthouse, so we object to this document.

MR. LEWIN: Your honor, there were an enormous number of matters totally apart from this one thing that were done with regard to Congressman Hansen during that period of time. If Mr. Weingarten is suggesting that this language is being used to cover or describe that one incident, that is simply not true. As Mr. Weingarten knows, there were allegations.

There was a civil suit that Congressman Hansen was involved with in terms of theft of his credit records. That cost an enormous amount. There were allegations that were being made by the Federal Election Commission because Congressman Wayne Hayes had moved them to do that. Congressman Hayes' name has come up in Mr. Weingarten's interrogation of Mr. Hunt, and that is precisely accurate, that Congressman Hayes had generated an enormous amount of activity and churned up an enormous amount of activity against Congressman Hansen.

The fact that Congressman Hansen was saying at that period of time there were all these matters that have put me in debt, it seems to me is truthful, appropriate and proper and is not at all improper or unfair in saying that that was the reason for the debt.

THE COURT: Are you saying then that there are many other matters, not just one, but many other matters in addition to the conviction, which stimulated the phrases that he had a considerable amount of legal, professional and other non-campaign expenses?

MR. LEWIN: Yes.

THE COURT: Stimulating further the expression that he had large expenses "pushed on me personally by political harassment and dirty tricks that had not previously been" --

MR. LEWIN: Absolutely.

MR. WEINGARTEN: It is the Wayne Hayes' allegation that brought this matter to the attention of the Department of Justice. That triggered the Department of Justice's investigation and that investigation culminated in a guilty plea by the congressman.

MR. LEWIN: I am sorry, Your Honor. Wayne Hayes tried, in various ways, to make various kinds of allegations. Nearly all the allegations ended up being dismissed.

There was one thing, and I have given the documentation to Your honor, regarding that conviction. Besides, there was the Wayne Hayes' allegations and following Wayne Hayes and, indeed, as a result of other activity back in Idaho, as I say, there was a lawsuit involved concerning theft of credit, disclosure of his tax records, theft of his credit record, all sorts of things, far, far beyond this one matter.

Indeed, in terms of expenses, I submit that the expenses relating to that criminal matter were very small compared with those related to the other forms of harassment that were involved, precisely because, as the records that we have shown Your Honor indicate, when that matter came up, the congressman had retained an attorney here. He said, "Okay, we will work out a disposition." They worked out a disposition and it was only after there was a misunderstanding by Judge Hart as to what the allegation was that another attorney came in and promptly, within another week, that whole matter was cleared up.

THE COURT: You mean the prison term that he received was vacated?

MR. LEWIN: Right, within a week.

THE COURT: He received some statement to the extent that, well, I thought you were a villein but you were really stupid. The newspaper has reported that.

MR. LEWIN: The point is that that took up very little time and very little in the way of attorney's costs.

THE COURT: All right. The bottom line is that you are saying that this group of letters this correspondence, the first of this type, which is your No. 31 refers to many others, and in fact the majority of matters other than the conviction?

MR. LEWIN: Yes.

THE COURT: Which created the legal professional expenses that you are now trying to have recused by solicitations from personal contributions.

MR. LEWIN: Yes, that is correct.

THE COURT: All right. There may be other communications that are closer to it. Certainly the one we talked about earlier, that refers to innocence and such, is going to have to be stricken. Either we strike the whole thing or we will have to remove that part of it.

MR. LEWIN: Yes. I don't know what Mr. Weingarten thinks but I am not intending to read what he views to be the inflammatory portions of this letter. The only thing on this letter I would like to read would be the second and third paragraphs, which don't refer to those, which simply say, "Look, this is what I am trying to do. I am somebody of modest means. I don't have an outside force. I am trying to do some method which will not interfere."

THE COURT: Obviously you conduct your cross-examination as you wish, Mr. Lewin. Sometime it is going to go so far, and I don't want to have to open the door. So I guess I am saying in the vernacular, don't push it. Let's keep it contained. Fair is fair.

(End of bench conference)

THE COURT: Since we had recessed at the bench for a moment, we might as well recess now because there is something back there in the jury room. Let's take a recess until 3:30.

(Recess)

(Bench conference)

MR. WEINGARTEN: It occurred to us at the break that evidence is coming in through this witness, and I guess subsequent witnesses, that there was this enormous debt created by political dirty tricks, et cetera, et cetera. That is the evidence of the defense. We have received no defense discovery supporting this alleged debt, save this property/settlement, which makes a bald allegation that there was $372,000 in debt, separated to Connie Hansen, with absolutely no supporting information whatever.

I think at this time, particularly since the Court is at least justifying a ruling that the conviction can't come in because there are other expenses that were generated at this time, at this time I think we should at least have discovery supporting the existence of this debt or a specific proffer from defense counsel that such a debt existed. I recall that when we considered the Pentagon evidence, the Court properly required government to make a specific proffer as to what we were going to prove so the Court could make a determination based upon our good faith proffer.

THE COURT: All right.

MR. LEWIN: What can I --

THE COURT: Can you give us any detail, since apparently there was no discovery, here and now, concerning this quarter of a million dollar obligation, 300,000?

MR. WEINGARTEN: $372,000.

THE COURT: All right, something like that. What other problems did he have that generated substantial sums of debt? Can this witness testify as to those other matters, being very careful, of course, that he doesn't touch the conviction?

MR. LEWIN: The truth is, I think he does know about various -- I don't think it is necessarily useful in terms of this case, presenting it before the jury. If Mr. Weingarten wants to go into what the other political dirty tricks were, he could go into it, I suppose, with this witness or could go into it with other witnesses who will testify, but I will represent to Your Honor that from my familiarity with this case, from my discussions with the various witnesses, there is just no question about the fact that there were administrative proceedings of various kinds, allegations that were made before the Federal Election Commission which were washed out, which turned out to be unsubstantiated.

Indeed, if Your Honor wants I have documents contemporaneous with that April, 1977, thing where the Federal Election Commission says there was no problem as to allegations that were made to the Federal Election Commission. There is a lawsuit in which this witness represented Congressman Hansen against Mr. Morgan.

THE COURT: I don't care about that. My question to you, Mr. Lewin, and I think you are answering it but we are coming to it in reams of paper -- I just wanted to keep it down to a focus -- are there any incidents that you could relate like A, B, C, D, these are some of the matters upon which you are relying on to say a substantial portion or a majority of his expenses were not conviction associated expenses?

MR. WEINGARTEN: Perhaps I didn't make my position clear.

MR. LEWIN: I don't understand what Mr. Weingarten says.

MR. WEINGARTEN: Maybe I can restate it.

MR. LEWIN: Let me say this: "It was so much a matter of public notice, and Mr. Weingarten, there is no reason why he should read the Idaho press back in 1976 and 1977, but everybody in Idaho knew that the Hansens had enormous financial obligations. And, as I say, if you look to the criminal matter, the criminal matter was one which involved a very limited amount of time. There was no trial.

THE COURT: When was it?

MR. LEWIN: The criminal matter was in 1975, February of 1975. It was a very limited period of time. There was no trial. He hired a local counsel here. He said, "Okay we will plead. No problem." He plead and totally unexpectly Judge Hart said, "Okay, you are going to jail."

I think Judge Hart said, "I didn't understand what the charge was."

In terms of expense, that is a very, very minimal expense. I have checked it again with the congressman over the recess. These people were in great debt and that is where it stood.

MR. WEINGARTEN: Maybe I wasn't clear enough. What we are looking for is evidence that he was in great debt, debts supported by documents that are unrelated to the prosecution of 1975. I think we are entitled to that, if there is going to be evidence that there was such a debt.

We have received no discovery on that score, except this one solitary figure on this property settlement agreement, that there is going to be evidence offered to support the existence of that debt. We would like some back up documentation of it.

THE COURT: Is there going to be any evidence offered, other than the conclusionary statement, through the witnesses, that they were $300,000, $400,000 in debt?

MR. LEWIN: That is right.

THE COURT: There is no documentation?

MR. LEWIN: There is no documentation, because this is a debt, Your Honor, that builds up by the fact that you are paying expenses, you have a family of five people. All these things add up. You have a home in Idaho, a home here. Sure, if Mr. Weingarten wants to, he can ask the witnesses, he can ask if the congressman takes the stand, he can ask Mr. Hansen how did you generate that debt?

But certainly if there testimony is, and I submit it is supported by ample documentation, "We were in great debt," indeed it would be crazy for people to go to these extremes to try and collect funds if they were not in great debt. I don't know what he wants and I don't believe -- let me say one other thing: It is not the burden of a defendant in a criminal case.

THE COURT: You are asking, Mr. Weingarten, if Mr. Lewin is going to produce any evidence in this regard of the debt. You want, of course, to see that because you have had no discovery in that regard. If he is going to make the statement only through the witnesses, of course, that it is $300,000 or $400,000, in a sum of money without any allocation as to how that resulted, and we are being told that there is no documentation?

MR. LEWIN: Right.

THE COURT: I guess you can make of it what you want to so far as the examination is concerned that they were being asked for money without any documentation behind it.

MR. LEWIN: That is right.

THE COURT: If he says there is no documentation, he can't provide it to you.

MR. LEWIN: I can't provide any documentation. I am telling you, there were great debts, and they are listed in there, in terms of personal loans. There were great debts that were owing and consequently, the Hansens had to find some way to meet them. That is the way it is.

Again, as I say, if Mr. Weingarten wants to argue to the jury, there is no basis for showing these people were in debt, they really had a lot of money, they had it in Swiss bank accounts, let him argue it. If he says Swiss bank accounts, of course, I will scream and I think it is inadmissible, there is no basis for it, but if he wants to argue to the jury, look they have made up this debt, fine, let him argue the debt was made up, that these people were really in fine circumstances and this is all a smokescreen, if that is and I say argument.

MR. WEINGARTEN: I know Mr. Lewin's reputation is a completely ethical honorable man, and if it is his understanding that he is offering this evidence and it is his understanding that such a debt existed and he is so representing, then we get past that first threshold. If there is no discovery, we get past the second threshold and I guess we are on our own on cross-examination.

THE COURT: That is what he is telling us. I really understood Mr. Lewin to say there is no documentation, he is not going to be offering any, he doesn't have any and you will have to make what you can out of cross-examination.

MR. LEWIN: Right, and the separation agreement itself recites it. It was written in 1977, and this witness will so testify. If you want to inquire of the witness inquire of the witness.

THE COURT: I think by documentation I may be wrong, but I gathered you meant other than the property settlement, you wanted something tangible, IOU "X" number of dollars?

MR. LEWIN: No, I don't have an IOU.

THE COURT: Or whatever you might represent, tangible evidence over and above what the parties declared were their obligations?

MR. LEWIN: Yes.

THE COURT: If there isn't any, I can't order any, right? Right.

(End of bench conference)

THE COURT: Bring the jury in.

(Jury present at 3:50)

THE COURT: Shall we continue.

BY MR. LEWIN:

Q. I believe before the recess, Mr. Runft, we had been discussing Defendant's Exhibit 31, which was a letter of March 14, to Congressman Preyer, who was the chairman of the House Select Committee on Ethics. I believe it was admitted in evidence, was it not?

THE COURT: Yes.

MR. LEWIN: Thank you.

BY MR. LEWIN:

Q. Now, that letter, you said, Mr. Runft, was sent at a time when the Federal Election Commission request was pending, is that right, before it was decided?

A. That is correct. The timing of this, we had already submitted the request for an opinion to the Federal Election Commission, and before the opinion came down, we sent this letter to the Select Committee on Ethics of the House of Representatives, for the reasons I described, that there are two entities who had jurisdiction over these matters, the House of Representatives on one hand and the Federal Election Commission on the other, under the Federal Election Campaign Act of 1971.

Q. Now, I place before you Defendant's Exhibit 34 for identification and ask you whether that was a letter that was sent after the Federal Election Commission decision to Congressman Preyer?

A. Yes, it was. This letter is dated April 5, 1977, addressed to the chairman of the Select Committee on Ethics, that is to the House of Representatives, and this letter was sent by Congressman Hansen after the Federal Election Commission had ruled or given its opinion.

Q. Were you involved as well and consulted with regard to the submission of that letter?

A. Yes, I was. I had a number of telephone conversations with Congressman Hansen regarding the letter, and as with these other letters, several drafts, and we finally arrived at a final text.

MR. LEWIN: I offer Defendant's Exhibit 34 in evidence.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 34 was received into evidence).

BY MR. LEWIN:

Q. So let me just read the March 14th, 1977, letter, which is Exhibit 31. Would you just read the second and third paragraphs of that to the jury?

A. "Being one of modest means, and not having any significant outside source of income, in addition to my Congressional salary, which is used to support a large family and maintain my personal situation, both in Washington and Idaho, it is most difficult to find the means to recoup from such extra personal expenses which have been incurred. I therefore have openly intended to find a method which would not interfere with my service to my constituents on a full time basis and not be a conflict of interest for the position I hold."

Q. Skipping down to the next to the last paragraph, it starts off, "My attorney has been actively involved in this matter in preparation of the letter and in preliminary discussions with appropriate officials of the FEC," is that reference the reference to you when he speaks of "my attorney"?

A. It is.

Q. The last paragraph of that letter says, "Thank you for your interest and assistance in this matter. I would appreciate receiving an early reply and welcome your comments and suggestions."

Is that a request that the House Ethics Committee reply with regard to that same plan?

A. Yes. The entire letter is a request for an opinion regarding this approach we were taking. The entire area of law at this time was in a state of quick evolution and we wanted to proceed very carefully. The Federal Election Campaign Act of 1971 had been amended twice. Part of it had been declared unconstitutional, I believe. I believe the Supreme Court case was Buckley versus Vallejo.

It has been seven years, but I recall it was a quite complicated and quickly evolving area of the law. We wanted to make sure that both with the House of Representatives and the Federal Election Commission we were doing the correct thing.

Q. There was no answer received before the Federal Election Commission issued its ruling, was there?

A. There was not.

Q. Looking at Exhibit 34, which was this letter that was sent after the Federal Election Commission ruling, would you read to the jury the last two paragraphs on the front page?

THE COURT: May I have a copy of it, please?

MR. LEWIN: I am sorry, Your Honor.

THE COURT: Thank you.

THE WITNESS: The last two paragraphs?

BY MR. LEWIN:

Q. Yes.

A. "I suggest that the known and accepted structure for soliciting the political funding for elections can also be properly used for raising personal funds as described in my proposal. By this, I mean the personal or mail solicitation would be conducted either personally or, in the alternative, by a committee composed of several persons, not a part of my Congressional office staff or campaign organization. In conjunction with the 11-point plan cleared with the FEC" --

Q. That is the plan the FEC approved on March 30, 1977?

A. Correct.

Q. That was the 11-point plan, the 11 conditions you had described in the letter to the FEC, is that right?

A. That is correct.

Q. Could you continue reading.

A. "In conjunction with this 11-point plan cleared with the FEC, such a committee would operate entirely independent of me in every respect. For example, it would necessarily have to obtain its own seed money and organizational direction and control. The only relationship I would have with the committee would be that I would not accept funds from the committee unless it could clearly demonstrate that all points of the FEC proposal and the under-$100 limitation were adhered to. No funds would be accepted personally from members of the committee or close relatives of those members."

Q. All right. Could you read on the second page, the second, third and fourth paragraph?

THE COURT: Mr. Lewin. The letters are in evidence. I would certainly allow you to read some of this. But we are reading almost the entire letter and we have just defeated the purpose in trying to move along expeditiously for this sequestered jury. It is in evidence.

MR. LEWIN: I understand.

BY MR. LEWIN:

Q. Could you read then just the third and fourth paragraphs then? I will cut that down.

THE COURT: Let's cut it down sharply in the future. Yes.

THE WITNESS: "Any person has a right to basic financial survival. The question is how can it be properly done in a sensitive position. I believe the direct way is preferable because it is the simplest and most accountable. News accounts have been frequent regarding the complications to the circumstances of public office holders when a spouse or other close family member pursues their own course.

And yet, that family has a right to financial survival and should not be penalized if one of them is publicly involved. My wife asks me what would become of her and the children if I were to die suddenly with large debts we have incurred from the ugly aspects of politics. What can I tell her? What would you tell your spouse?"

Q. That letter also requested the committee to provide a response regarding the proposal that had been submitted to the FEC, to the Federal Election Commission?

A. Yes, that request for response is contained in the last paragraph.

Q. Did you, following those letters, learn from the congressman or otherwise, what the House Ethics Committee had decided on that question?

A. Well, as I recall, and again this has been some time, I recall that there was a news release, I believe, or a news report, in one of the local Idaho papers, to the effect that the House Ethics Committee had or would not be favorably considering this plan.

Q. The microphone may be, I noticed at times --

THE COURT: Would you tap it, please. It seems on.

BY MR. LEWIN:

Q. Please speak into it. Sometimes your voice drops off.

A. Is this better?

Q. Yes. You were saying that there was a news report that the house committee had not approved that proposal for solicitation of private funds?

A. Yes, that is my best recollection. Again, it has been seven years, but I recall that a news report, I believe it was an Idaho news report, seemed to indicate some reporter had talked to somebody, a representative of the House Ethics Committee, or something like that, that a decision would be coming down shortly that would be unfavorable.

Q. Mr. Runft, you've mentioned news reports, these various matters, the letters to the Federal Election Commission, the letter to Congressman Preyer, these other things. Were they matters of public record?

A. Yes.

Q. Were they reported in the newspapers in Idaho?

A. Extensively.

Q. I place before you, Mr. Runft, Defendant's Exhibit 35. I ask you whether you can describe what that document is?

A. Yes. This document, Exhibit 35, is the advisory opinion that Congressman Hansen had solicited with his two letters, that is, solicited of the House Ethics Committee. This advisory opinion is designated, "Advisory Opinion No. 11, issued by the committee on May 11th, 1977". It is from the Select Committee on Ethics of the U.S. House of Representatives.

MR. LEWIN: We offer Defendant's Exhibit 35 into evidence.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 35 was received into evidence).

BY MR. LEWIN:

Q. That opinion states, in the end of the second paragraph, does it not, that the Select Committee concluded that neither a member nor his spouse could directly solicit funds for personal use by a fund-raising technique such as a mass mailing?

And it said in its summary opinion on page 2, "A member is prohibited from accepting the proceeds from a fund-raising event for his unrestricted personal use." Is that correct?

A. That is correct.

Q. So that the House Ethics Committee did not permit the use of the procedure which the Federal Election Commission had said was not covered by federal election law?

A. That is correct.

Q. Mr. Runft, as counsel for Congressman Hansen, were you, during this period of time, considering, as well, other alternatives that might be used if this method was not approved by the House Ethics Committee?

A. Yes, I was. The object here was to find a legal and proper way of proceeding forward to assist the Hansens with their debt problems in a fashion that was open and within the bounds of the law. One of the alternative measures that we thought about, which would be a measure, you might call it the final measure, as a means of doing this, was to consider the proposition of a separate property agreement under Idaho law.

Now, this particular device, or this particular direction, is somewhat unique to Idaho and approximately eight other states. They are called "community property jurisdictions". Those jurisdictions include California, Louisiana, Idaho, Nevada and states out mostly in the west, where marriage, the incident of marriage, creates community property, that is, joint ownership of property.

We were considering if these proposals did not pass both the FEC and the House of Representatives, to consider the possibility of the Hansens separating their economic interests under the community property. Again, we wanted to proceed in an open and public fashion, make sure that everything was above board and with full notice.

Q. Let's just maybe reduce that, as best we can, to an understandable format so that people who are not lawyers like us, can understand it.

Under Idaho law, what is the effect of the law on the property of people who get married?

A. Under Idaho law, when people get married, from the time of the marriage forward, they both have an interest in all property which they earn from that point on. That does not include separate gifts. There are a number of distinctions. I suppose you don't want to go into that.

But essentially, one of the incidents of marriage, a part of marriage is, under Idaho law, or community property law, that both spouses jointly own, although jointly is not quite the right word, but they both have an equal equity interest in all property they obtain during their marriage.

Q. Anything earned by a husband during marriage belongs, in part, to his wife, whether or not she has in fact worked for it, and anything earned by a wife, during marriage, belongs to the husband?

A. Under community property law, all earnings are community property, whether earned by either spouse.

Q. Under Idaho law, are there means for undoing that consequence of the laws pertaining to marriage in Idaho?

A. There are. Under Chapter 9 of Title 32 of the Idaho code which governs the community property law of Idaho, there are provisions that allow a couple to enter into a property settlement agreement. This is frequently done in the course of second marriages, perhaps, where a widow or widower will marry for a second time and they wish to keep their property separate, this type of thing. It is used for many, many purposes.

Under this provision, when you separate the property, this separation has the result as though there were no marriage at all with regard to property, if you enter into such an agreement.

Q. Did you consider and discuss with Congressman and Mrs. Hansen the possibility of entering into an agreement which would have the effect of undoing the consequences of Idaho's community property law?

A. I did. The Hansens are residents of the State of Idaho, and therefore they are subject to the community property law of Idaho. From the very beginning, when we considered together, Mr. & Mrs. Hansen, these problems and how they could best meet them, one of these alternatives, of course, was to enter into a property settlement agreement.

In fact, I recall I had discussed this by telephone with Representative Charles Wiggins, in March of 1977, during the time that these applications were going on, discussed with him the aspects of a possible community property law, property settlement agreement. This was always in the background, and yes, we did discuss it at length.

Q. Directing your attention specifically to the month of June, 1977, could you describe for us what you did in that month concerning this matter of a separate property arrangement?

A. Following the Advisory Opinion No. 11, which was issued in May, May 11th, 1977, by the House of Representatives, we -- and by "we" I mean the Hansens and myself -- turned our attention then to the last resort, the idea of the community property separation.

At that point, I was requested by both Mr. & Mrs. Hansen to prepare a property settlement agreement for them to review.

Q. Let me place before you what has been marked as Defendant's Exhibit 74 for identification. Let me ask you whether you can identify that document?

A. I certainly can. This is a copy of my billing statement to the Hansens for my legal services.

Q. It is headed "Itemization of Account". Is it the second page of a bill for that year, for that month?

A. Yes. At that time all of our billings were, as they again are now, detailed to the tenth of an hour for the services rendered, dated, the initial of the attorney providing those services and the description of those services set forth.

Q. At the time in 1977, was it the practice of your law firm to provide itemizations in addition to the total amount of the bill?

A. Yes, it was then and it is now and only for a short period of time in between did we not do it as an economy move.

Q. Would that reflect the summary of the things that you did on behalf of Congressman Hansen during that period of time shown on the statement?

A. Yes, it would.

Q. Just to clarify, you did, did you not, keep your accounts for Congressman Hansen separate with regard to matters that were personal, those that were campaign matters and other matters, you provided separate bills, did you not, for each of those?

A. We did, yes.

Q. This is a page relating to his personal matters, is that right?

A. I believe it is, yes.

MR. LEWIN: We offer Exhibit 74 in evidence.

MR. WEINGARTEN: No objection.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 74 was received into evidence).

THE COURT: Do I take it that the number before the dot represents one hour and if there would be any number after the dot that would be a tenth of an hour or more?

THE WITNESS: That is correct, Your Honor.

THE COURT: Thank you.

BY MR. LEWIN:

Q. Now, would you, off the top of your head, be able t recall details of this kind without looking at a document?

A. It would be a little difficult, as it is, as I hav said several times, it has been seven years and this is a v detailed account of precisely the services rendered.

Q. Looking under June 2, 1977, there is an entry th that says, "June 2, 1977, JLR." Who is JLR?

A. John Leroy Runft.

Q. That is you?

A. Yes.

Q. The initials of the attorney appear on that after the date?

A. It does.

Q. Can you tell us what that shows you did with regard to Congressman Hansen on the matter of the property settlement agreement?

A. These descriptions, although detailed in the sense of billing, of course, are a relatively short summary of the services provided. But looking at this, I recall that at about that time we discussed, or I discussed with the Hansens, the elements of a property settlement agreement, the requirements for a property settlement agreement and all the related matte including the needed accounting, things of this nature.

Q. Had there been a decision by then that you would go ahead with the property settlement agreement?

A. Yes, following the advisory opinion from the Selec Committee on Ethics.

Q. I place before you what I have marked as Defendan Exhibit 36 for identification.

A. Yes, I recognize Exhibit 36 as a letter dated Ju 3rd, 1977, signed by Mrs. George Hansen, Connie Hansen, directed to the chairman of the Select Committee on Ethics of the House of Representatives. This letter was sent and dated on the 3rd of June, and I believe I had occasion to discuss with both Mr. & Mrs. Hansen the contents of this letter on June 2nd, as indicated in my notes here.

I will say one more thing, that my notes on my billing, my summary here, reflect a telephone conference with George hansen. When I spoke of these matters, I frequently spoke with both Mr. & Mrs. Hansen.

Q. So that you don't recall today whether that conversation had Mrs. Hansen as well on the extension or not, but it may have?

A. It may have. I have a present recollection that that I spoke to both George and Mrs. Hansen from time to time regarding the prospects of a property settlement agreement, the nature of it, the consequences of it, what they would have to do to get one done, and all related matters. I spoke to them sometimes together on the phone. Frequently, I spoke with George alone on the phone. But when I came to Washington on several trips, I inevitably spoke to both of them about this, during this time period.

Q. Was a decision reached by June 2 of 1977, that the chairman of the House Committee on Ethics would be advised by Mrs. Hansen, as well as by the congressman, that they would b proceeding with a separate property agreement at this time?

A. Yes. As I have previously testified, I had analyzed the Rules of Ethics of the House of Representatives and the various Ethics' opinions that had been issued up to that time. As I say, this was a fast moving area of the law and Congress was changing quite a few of their opinions at this time regarding what the congressmen had to do.

I felt that the only proper way to proceed would be if both Mr. & Mrs. Hansen wrote letters to the chairman of the Ethics Committee, advising him of their plan to enter into a property settlement agreement whereby Mrs. Hansen's economic life would be fundamentally seperated as to her control of it from Mr. Hansen.

MR. LEWIN: Your Honor, might we approach the bench for a moment?

THE COURT: Yes. Would you step down, please.

(Bench conference)

MR. LEWIN: Your Honor, in view of the discussions that we previously had at the bench, we have not had an opportunity to take steps with regard to the particular copies that we are using. But we would propose, I certainly would not read them, we would propose that we will redact the first four paragraphs of page 2 of this letter in terms of submissions to the jury, before I offer it into evidence. We will only introduce the first page, excluding those paragraphs. I would also redact, if there is any question, I am not interested in raising any question about this, I would redact the last paragraph of the first page as well.

THE COURT: The last paragraph of the first page?

MR. LEWIN: Yes.

THE COURT: About concentrated political smear campaign?

MR. LEWIN: Right. We will redact that and the first four paragraphs of page 2.

THE COURT: I take it counsel have copies of this?

MR. WEINGARTEN: Yes.

THE COURT: They have been among the papers that you received earlier on.

MR. WEINGARTEN: Yes, we have copies.

THE COURT: We have, of course, the words "politicall incurred".

MR. LEWIN: Again, I submit that that is truthful, that there have been a substantial portion of those debts that have been politically incurred. The debts were politically incurred. I am cutting out anything --

THE COURT: I guess technically speaking, that is true.

MR. WEINGARTEN: We don't to object to this documen The Court has made these specified rules concerning the application of this document, and if we think we can do anything with it later and we think it is questionable, we wi take it to the bench.

THE COURT: All right. But you will have to keep these documents in such a manner, because my clerk cannot just make a cross there.

MR. LEWIN: We will put that in with Your Honor in an amended copy first thing in the morning, but I won't distribute it and publish it to the jury.

THE COURT: A retyped copy?

MR. LEWIN: No, we will have a Xeroxed copy and white that out.

THE COURT: The first four paragraphs on page 2 and the last paragraph on page 1, that will be redacted?

MR. LEWIN: Yes.

(End of bench conference)

BY MR. LEWIN: With the qualifications stated at the bench, Your Honor, we offer Defendant's Exhibit 36 in evidence.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 36 was received into evidence)

BY MR. LEWIN:

Q. That letter, Mr. Runft, does state Mrs. Hansen's intention, let me just read towards the bottom of page 36, "I am a citizen of Idaho, which is a community property state, and therefore I stand liable for half of this politically caused indebtedness. Furthermore, if my husband should die, it is all my responsibility."

Then on the second page, Mrs. Hansen goes on to say, "Faced with this burdensome personal indebtedness, I have, as a matter of love for my husband and children, and financial preservation of our family, insisted upon a financial settlement between my husband and myself legally and properly dividing our property. In part, the property settlement provides that my husband assume such debts as those of the family, the home, the cars, charge cards and such, and that I assume a substantial portion of those debts politically incurred."

Was that the substance essentially of the arrangement that you had proposed to the Hansens that they undertake with regard to this property?

A. Yes, that is it, and substantially it was an equitable arrangement between debt and assets.

Q. Now, returning again to Exhibit 74, which you have before you, could you tell us what else you did in June of 1977 with regard to the matter of this property settlement agreement?

I am sorry, before you get to that, let me place before you Defendant's Exhibit 37 for identification. Could you tell us what Defendant's Exhibit 37 for identification is?

A. Yes. This is a copy of a letter from Richardson Preyer, who is the chairman of the House Select Committee on Ethics, dated June 8th, 1977, addressed to Connie Hansen, Mrs.

George Hansen, in response to her letter of June 3rd, 1977.

Q. So that was a response to the letter we just previously had been discussing, that had been reviewed by you prior to the time it was sent?

A. Yes.

MR. LEWIN: We offer Defendant's Exhibit 37 in evidence.

THE COURT: No objection? It is in evidence.

(Whereupon, Defendant's Exhibit No. 37 was received into evidence).

BY MR. LEWIN:

Q. That is a letter addressed to Mrs. George Hansen at her home address in Arlington, Virginia, "Dear Mrs. Hansen --

THE COURT: Are you going to read the whole letter?

MR. LEWIN: Just the first two paragraphs.

BY MR. LEWIN:

Q. "Thank you for your letter of June 3, advising me of your intention to proceed with a personal fund-raising effort to retire certain debts you have assumed. I hope you will understand that the content of the advisory opinions addressing issues referred to us by your husband were in no way meant to infringe on your civil rights, nor on your equality as a woman. Neither were those opinions aimed in any personal way against your husband or your family."

A. That is what the letter states.

Q. Then the next two paragraphs relate to the matter of public criticism of some members' actions, which were included in the letter of June 3, is that right? There were statements made in the letter of June 3 that there were other members who have used --

A. It is a statement about other members of the House of Representatives who had apparently inappropriately used campaign contributions and it doesn't apply to this matter at all.

Q. Was there any other response, to your knowledge, from Congressman Preyer, chairman of the House Committee on Ethics, to Mrs. Hansen's letter of June 3?

A. By the committee you say?

Q. By the committee, or by Congressman Preyer?

A. I am not aware of any immediately during this timeframe. I cannot recall any momentarily. I do know that you say a response, I engaged in a dialog, a telephone call.

Q. I am not referring to any telephone calls. I am just asking you whether there was any letter, to your knowledge?

A. No, I don't believe there was. This letter, which was addressed to Mrs. Hansen, was, as I recall it, the only response to her letter. And based on that response, partially based on that response, we went forward then with our plans to fully execute the property settlement agreement as she had outlined in her letter. It hadn't been done at this time yet.

Q. Fine. Now returning to Exhibit 74, could you tell us what other things you did in June of 1977 relating to the property settlement agreement?

A. There were a number of further telephone conversations with the Hansens regarding the property settlement agreement.

Also, I was in contact with Mr. Steve Swanson, who was the Hansen's accountant at that time, in order to work with him in providing the proposed separation of assets for the property settlement agreement.

Q. Did you have further conversations with Congressman Hansen and Mrs. Hansen with regard to this?

A. Yes, and finally as the last entry here shows on Exhibit 74, on June 24, we prepared and sent to the Hansens a rough draft of the property settlement agreement and reviewed it with the Hansens. I believe, it doesn't say here for sure, but I believe I was in Washington, D.C. at that time. I was sitting down with them, with the rough draft and the property settlement agreement, and going over the proposed agreement in detail with them.

I recall advising them both to read it carefully, to each seek further legal advice as to its consequences, because they both would be involved in it, and basically discussing with them the purpose of the agreement, and essentially, my advice to them was that the campaign laws were not meant to be a trap. What you do is based on reason and common sense. If you go forward with the plan, you let the committee and the people know what you are dealing with, what you are doing.

I had reviewed the law in effect at the time, and it my opinion that a property settlement agreement would allow Mrs. Hansen to go forward on her own to retire this indebtedness, on her own separately, even though they would still be married but they would have separated their property.

The other side of that coin of my advice was to, as she had done, to let the Ethics Committee know, so there would be notice fully of what the Hansens were doing.

Q. To let them know there was a property settlement agreement?

A. Certainly. And if the Ethics Committee desired to comment on it or ask any questions, or to issue another opinion, it would be advised and could do so.

Q. Now, you say you told them that they should consider possibly seeking other legal advice as to what are the lasting consequences of a property settlement agreement? Why is it material in any way if you enter into a property settlement agreement? What does it do?

A. I had mentioned earlier in my testimony this was a matter of last resort because the consequences of property settlement agreement under Idaho law are meaningful and extensive.

As a result of separating your property, two members of a marriage no longer have the benefits of marriage as far as their property is concerned. They no longer can inherit automatically as a husband can from a wife or a wife from a husband. The matters like pensions and things like that probably would not be inherited by the other spouse. The separation is such as though they weren't even married from an economic sense. In other words, they are married. They live together as man and wife but there are no economic relationships as would normally follow the consequences of marriage.

Q. When you say no economic relationships, you mean there is no automatic economic relationship that grows out of the fact of the marriage?

A. That is correct. There is nothing incident to the marriage. They can have joint accounts. They can do what any two people living together can do as far as having joint accounts or things of that nature.

Q. Does the property settlement agreement prevent them from having joint accounts in any way?

A. No.

Q. Does it prevent the wife from using the husband's property or the husband from using the wife's property?

A. No more so than it would two unmarried people living together. But what it does do, it terminates the aspects of property derived from marriage, such as the right to inherit, the community property rights, the automatic one half equity interest in all income of the other spouse, things of this nature, which, of course, are very, very important in substantive matters.

Q. If one party of the marriage decided that he or she wished to do so, they could prevent the other party to the marriage from having access to his or her own property, is that right?

A. Absolutely. It is like any other unmarried person.

Q. But if one party to the marriage decided that it was all right with him or her that the other party should use whatever property the first party obtains, that is also permissible, is it not?

A. That is. By doing so, after you have renounced community property as applying to your marriage, you do not thereby create subsequent community property. You are done with that.

THE COURT: I am sorry. I didn't understand that last part. Would you tell us again, after you renounce it, you mean you have a right to renounce it?

THE WITNESS: Yes. When you enter into a property settlement agreement and separate your property, subsequent joint accounts or accounts of this nature do not recreate community property.

BY MR. LEWIN:

Q. In other words, a joint account is simply a joint account as if it was between two unmarried people?

A. That is correct.

Q. If you and I had a joint account, we could have a joint account, even though we are not married?

A. That is right.

Q. And anything that would be put into that joint account would not become subject to a community property law, even if this were a community property state?

A. That is correct.

Q. So that with respect to Congressman Hansen and Mrs. Hansen, if they signed this agreement, that would be the effect of the agreement?

A. That is right. Those types of agreements are provided under the Idaho code, I believe they are technically called marital settlement agreements.

Q. I place before you, Mr. Runft, what has been marked as Defendant's Exhibit 40 for identification. I ask you whether you can describe for the Court and jury what Defendant's Exhibit 40 is?

A. Defendant's Exhibit 40 is entitled, "Memorandum of Property Settlement Agreement." Exhibit 40 is a copy of the property settlement agreement, consisting of nine pages, and it was executed on September 30, 1977.

Q. With regard to such a memorandum, does it include an enumeration of the property that is being divided?

A. Yes, it does.

Q. Did you in fact, in preparing this property settlement agreement, divide the property that the Hansens had owned as of the middle of 1977?

A. Yes. We had to select an accounting date at which time all the property had been reviewed and assessed. I don't mean that legally assessed, but I mean a time at which it had been reviewed. That time was June 21. As of that date, that is a reference date in the agreement, even though it was executed actually on September 30, 1977.

Q. So you enumerated in that document the property that the Hansens owned and the liabilities they owed, the properties they possessed and the liabilities they owed, is that correct?

A. That is correct.

Q. There was a specific dollar amount with regard to each of those items in the agreement, is that correct?

A. That is correct.

Q. When one drafts up an agreement of this kind, there is a lot of private information then that goes into it, is there not?

A. That is so.

Q. In fact, was that a concern at the time that the agreement was being drafted, that it would contain a lot of private information concerning the Hansens' finances, their own financial possessions?

A. That is correct. The extensive indebtedness of the Hansens was a private matter, the nature of that indebtedness was a private matter, and they preferred to retain that privacy, to the extent they could, and I did what I could to assist them in that regard.

The agreement does set forth, at some considerable length, the assets of the Hansens, and provides for the division between them of these assets, and then it also sets forth, in certain categories, the indebtedness of the Hansens' and a number of particular items of indebtedness are very specific.

Q. It includes things such as items in specific amounts, amounts of money in specific checking and savings accounts, for example?

A. It does, yes.

Q. It includes details as to the value of the automobiles they own?

A. It does.

Q. It includes details as to the life insurance policies that were held?

A. It does.

Q. It includes the values and addresses of real property that they possessed?

A. That is correct.

Q. It includes an enumeration, with dollars and cents, down to specific cents, of loans that were owing to particular financial institutions, does it not?

A. That is correct.

Q. It also includes a total for personal loans, does it not?

A. Yes, it does.

Q. A total figure. And that was as of June 21, 1977?

A. Correct.

Q. With regard to the private information that appears in that agreement, what has been your consistent practice or rule since the time this agreement was drafted and signed?

A. The Hansens requested that this information be kept private and placed in my possession, the original of this document, with the instruction that I keep it private. I considered it to be a matter of the attorney-client privilege.

Q. You have not disclosed it to anybody except in preparation for this case, is that correct?

A. That is correct.

Q. Except to the Hansens, I suppose?

A. And their accountant.

Q. And their accountant?

A. Yes.

Q. Did you bring to court today, because Mr. Weingarten had asked me that you have it in court, the original of that property settlement agreement?

A. At your request, and at Mr. Hansen's and Mrs. Hansen's permission, I brought here the original, which is the same as the copy.

Q. It is there in that envelope?

A. It is in this envelope.

Q. Thank you.

Now, Exhibit 40 is a memorandum executed on the 30th day of September. I think you were telling us before, with reference to Exhibit 74, that at the end of June there was a rough draft of a property settlement agreement that had been sent to the Hansens?

A. That is correct.

Q. Could you just tell us what happened between the end of June and the 30th day of September?

A. Well, essentially, the rough draft was left with the Hansens to consider and to discuss between themselves and to perhaps discuss with other counsel.

Q. Did you ever find out whether they did discuss it with other counsel?

A. I am not sure. I know that at times they have talked to an attorney named Archie Service, for matters that I have referred him to. He is another Idaho lawyer. I don't know that. I wanted them to feel perfectly at ease and totally private to do this, because I was in the position of advising both of them, and I made sure to ask them to, each of them separately, to seek their own separate advice as to the consequences of entering into such an agreement, particularly the consequences on their marriage and their community property.

Q. Then what happened in September?

A. Well, in September, there were phone calls back and forth between the Hansens and myself from June until September, and there was some more work done, as I best recall, on the accounting, that is, the figures that were developed as of June 21st had to be reviewed and the debt and asset allocation properly arranged. That was the province mostly of their accountant and them, and that was finally done.

Then I arrived in Washington at the end of September. I arrived, by the way, with the final draft of the memorandum of property settlement agreement. It was then finally reviewed, in light of the accounting, and was executed, in my presence, and I acknowledged the signatures on September 30, 1977.

Q. Now, the document is on the legal paper of Runft & Longeteig?

A. Yes.

Q. Was that the firm you were then the senior partner of?

A. Yes. That firm is now Runft and Leroy, et cetera. It was then Runft and Longeteig.

Q. The last page shows that a notary public, yourself, a notary public for the State of Idaho, attested to the signatures of Mr. & Mrs. Hansen, is that correct?

A. Yes. At that time, on September 30, 1977, they executed the property settlement agreement and the real property deeds that are referred to herein.

Q. The signatures that appear on page 8, the signatures of Congressman Hansen and Mrs. Hansen, were done in your presence?

A. That is correct.

MR. LEWIN: We offer Defendant's Exhibit 40 in evidence.

MR. WEINGARTEN: No objection.

THE COURT: It is in evidence, without objection.

(Whereupon, Defendant's Exhibit No. 40 was received into evidence).

BY MR. LEWIN:

Q. Were there other documents that were prepared contemporaneously to carry out some legal requirements with respect to that property settlement agreement?

A. Yes, there were several real property deeds.

Q. I put before you Defendant's Exhibit 75, Exhibit 76 and Exhibit 77 and ask you what those are?

A. These three documents, Exhibits 75, 76 and 77, are quit-claim deeds whereby George Hansen quit-claimed to his wife Connie Hansen his interest in the real property represented in each one of these three deeds, pursuant to the terms of the property settlement agreement.

Q. A quit-claim means he signed over all rights and interests?

A. Quit-claim is a deed where you quit-claim any right, title, interest to that property, to the person you are deeding to. So he deeded his ownership in these three pieces of real property to his wife.

Q. That was signed on September 30th, 1977?

A. At the same time they executed the property settlement agreement, they executed these deeds, yes.

MR. LEWIN: We offer Defendant's Exhibits 75, 76 and 77 in evidence.

MR. WEINGARTEN: No objection.

THE COURT: May I see a copy of them, or the originals, whatever is being offered?

MR. LEWIN: Yes.

(Whereupon, Defendant's Exhibit Nos. 75-77 were received into evidence).

THE COURT: Does Idaho require a straw, another person, to convey this type of property between husband and wife?

THE WITNESS: No. Real property in Idaho does not require a straw person. It regards only the same requirements for any issuance or any transfer of real property which is a notarized instrument.

BY MR. LEWIN:

Q. Were those deeds recorded, Mr. Runft?

A. I don't believe they were.

Q. Where were they? Where have they been kept?

A. Part of the time they were kept in my office with the original property settlement agreement and part of the time in Congressman Hansen's office.

Q. But in terms of Idaho law, do those quit-claim deeds effect the transfer of property as between the two parties?

A. Yes, they do. The law of Idaho requires that deeds be acknowledged and that to be perfected as against third party interests, that is, against other people, they must be recorded. But as to the parties themselves, as between the two parties executing the deed, they are effective without recordation. In 1982, there was an Idaho Supreme Court case directly on point confirming that proposition.

Q. That decision confirmed the fact that that deed would be effective between Congressman and Mrs. Hansen?

A. Yes.

Q. Now, following both the drafting, the agreement and the signing of the final property settlement agreement, were there, to your knowledge, solicitations made by Mrs. Hansen pursuant to the original proposal?

A. Not necessarily pursuant to the original proposal, which, of course, you recall was the proposal whereby Congressman Hansen would make that solicitation, but in accordance with her letter to Congressman Preyer earlier that year. She did go forth and solicit funds to reduce the personal debt which had been assumed by her.

Q. That was done by mailings to the public?

A. Yes.

Q. Direct mailings, mass mailings?

A. It is my understanding it was limited to that only.

Q. That was done outside of the state of Idaho?

A. It is my understanding that is correct.

Q. And it solicited contributions from individuals to defray this personal obligation that Mrs. Hansen had?

A. That Mrs. Hansen had assumed as a result of the property settlement agreement.

Q. Now, directing your attention specifically to Defendant's Exhibit 40, and page 6 of that Defendant's Exhibit 40, paragraph 5, that agreement stated, in paragraph 5, "From the community debts, the wife shall assume as her sole and separate debts from which the husband shall be free of any liability or obligation the following items: Subparagraph A, loan from the First National Bank, Dallas, Texas, in the sum of $50,000; and subparagraph B, personal loans in the sum of $372,750," is that right?

A. That is what it states, yes.

Q. Was it your understanding that the solicitation that was subsequently made by Mrs. Hansen was to defray or to enable her to pay those personal loans, which, pursuant to this property settlement agreement, were being assumed by her?

A. That is correct.

Q. By the way, was there anything in terms of the property settlement agreement that prevented Mr. & Mrs. Hansen from filing joint tax returns?

A. Not at all. In fact, I believe it refers to that possibility. Again, as husband and wife, they can do that.

Q. And the property settlement agreement specifically referred to that?

A. Item 16, I believe, refers to the filing of joint income tax filings.

Q. Tax refunds from any joint income tax filings by these parties?

A. That is correct.

Q. "Shall be divided between these parties as separate proceeds in proportion to each party's prospective reported gross income," again, that is the rights they would have as between each other, is that right, between themselves?

A. That is correct. The tax law refers to people, regardless of the marital laws. The tax law applies to people in community property states. It applies to people in non-community states and is independent that type of jurisdiction.

Q. Paragraph 14 of the agreement states, "It is further agreed that any and all property acquired from and after the effective date of this agreement shall be the sole and separate property of the one so acquiring the same, and each of the parties hereto does hereby waive any all right in or to such future acquisitions and does hereby grant to the other all such further grant of the property as the sole and separate property as the one so acquiring the same," that is a long legalese sentence.

Can you explain to us what that means?

A. The paragraph embodies the rejection of the community property right and simply says that each party is now separate economically.

Q. But does it require each party to keep only his or her own property?

A. No, no more than it would require any person to do so.

Q. In other words, I could give you something if I wanted?

A. That is correct.

Q. You could give me something if you wanted?

A. That is correct.

Q. Now, Mr. Hunft, did you have occasion, following the separation of property agreement, to consider the effect of that agreement on the existing provisions of the House Ethics

Committee concerning the reporting and financial disclosure requirements under the House rules?

A. Yes, I did, and this would be, I believe, in the spring, late spring, early summer, of 1978.

Q. Let me show you what I have marked as Defendant's Exhibit 73 for identification. Would you please tell us what Defendant's Exhibit 73 for identification is?

A. Exhibit 73 is a copy of my law firm's billing to the Hansens dated June 1, 1978, for services rendered in May of 1978, again the same format as described before.

Q. It specifies the particular services that you performed in during the month of May of 1978, in summary form?

A. Yes. It describes my telephone conferences with George Hansen and with Jim McKenna, who, although at that time not on George Hansen's staff, as a staff lawyer, was assisting George here in Washington, and the discussions centered around --

Q. Before you tell us that, with regard to the document, it says up in the upper right hand corner under the date it says, "Re: Personal," was that the bill for personal services at that time?

A. Yes, it was.

MR. LEWIN: We offer Exhibit 73 into evidence.

MR. WEINGARTEN: May we approach the bench?

THE COURT: Yes.

(Bench conference)

MR. WEINGARTEN: Are you suggesting he doesn't remember this?

MR. LEWIN: I am suggesting that this enables him -- no, I am suggesting -- I think this is a contemporaneous office record which is admissible in evidence. It is not an aid to recollection. It is admissible to reflect his bill at the time. It is like any invoice or statement. Of course it is admissible. If you want me to ask him the business record questions, I will ask him those.

MR. WEINGARTEN: I can't read some of this. Wait a second. All right. We have no objection.

THE COURT: Without objection? It is in evidence without objection.

(End of bench conference)

(Whereupon, Defendant's Exhibit No. 73 was received into evidence).

BY MR. LEWIN:

Q. The first entry on there for that month, I think it is May 2, 1978, says, after your initial telephone conference with George, re financial report to house, and re disclosures. And then May 8, 1978, says telephone conference with George and Jim McKenna, re complaint about no report of Connie's debt in report by Congressman to ethics Committee; telephone conference with George and Jim, re above; telephone conference with George, re response to Ethics Committee and further strategy."

Could you tell us what that refers to?

A. Yes. Pursuant to the plan, the property settlement agreement plan and the plan detailed earlier, Congressman Hansen had filed his 1973 report, I believe at that time the reporting date was May 1 that year. His reporting date seemed to shift each year because the law every year was different. When he reported his debts and finances, he did not include Connie Hansen's debt, again, pursuant to the plan which the Committee had been advised of.

As I understand it and as I recall, there were some complaints or notice of this was made in the press and, again, the press contacted the Ethics Committee about this. Basically, my advice to Congressman Hansen was to get in contact with the Ethics Committee again and make sure that everything is known and above board.

Q. When you say everything is known, what do you mean about that?

A. Of course, they knew about that. But again, to continue that communication with the Committee, and again advise them what the plan was, what the Hansens were doing and why, and so that the Committee would be fully advised.

Q. What was your opinion, Mr. Runft, concerning whether the debts that had been assigned to Mrs. Hansen under the property settlement agreement had to be reported to the House Ethics Committee on its form as debts of Congressman Hansen?

A. At this particular time, as I recall, the prevailing or the important House Ethics Rule was Rule No. 44 and we were dealing with House Ethics Opinion No. 12, as I recall. This was before the Ethics in Government Act of 1978.

THE COURT: Sir, the question was what was your opinion.

THE WITNESS: I am trying to place myself in perspective, Your Honor. There was quite a bit of shifting.

My opinion was that under those particular conditions, that the fact that Mrs. Hansen pursued her own separate life and paid her own separate debts was not an item that needed to be reported by Congressman Hansen on his report required under the Ethics Rules.

Furthermore, and always along with this advice to Mr. Hansen, my opinion, secondly, was the Committee had the authority and the duty to review these reports, with knowledge, and advise Congressman Hansen if he was wrong in any way. Mr. Hansen, in my opinion, had a right to rely on this.

BY MR. LEWIN:

Q. To your knowledge, did the Committee know there was a property settlement agreement in effect?

A. Yes. As a matter of fact, I believe following this, in the next month, in June, June of 1978, I believe it was, I called a Mr. Terry.

Q. Just in terms of --

A. The answer is yes.

Q. Let me place before you what has been marked as Defendant's Exhibit No. 39 for identification. I ask you, Mr. Runft, whether you recognize that document?

A. I do.

Q. What is that document?

A. This document is a letter dated May 11th, 1978, addressed to Richardson Preyer, the chairman of the Select Committee on Ethics, from Mrs. Connie Hansen, a letter which I personally oversaw the drafting of.

Q. Was that following or as a result of the conversations that are shown here on May 2 and May 8th, 1978?

A. This was part of the further strategy referred to here, yes. There was a letter, again, to the Committee to be sent, not only by Mr. Hansen but by Mrs. Hansen, to advise the Committee of the property settlement agreement and to advise the Committee precisely what they were doing.

Q. That letter was written with your advice and you reviewed the content of it?

A. It was. The purpose of this letter was not only to advise but to provide a statement by Mrs. Hansen regarding certain of the substantive provisions, certain of the main provisions of the rules that applied. She stated, for example, in the letter, that she was not --

Q. Before you read from the letter, we will offer

Exhibit 39 into evidence.

MR. WEINGARTEN: Under the same conditions, Your Honor.

THE COURT: Same conditions, it is in evidence.

(Whereupon, Defendant's Exhibit No. 39 was received into evidence).

BY MR. LEWIN:

Q. Now, you were going to tell us what the letter said.

THE COURT: You are not going to read the whole letter. You can tell us why in your own words.

THE WITNESS: I am going to summarize.

Essentially, not only did we want the Committee to be provided with a statement from Mrs. Hansen herself, as well as the Congressman, but to have her state that she was not under "constructive control", and I put that in quotes because that is one of the criteria that was important in the Ethics Opinion No. 12 that was at issue at that time.

So she made that statement and reaffirmed that they, the Hansens, had entered into a property settlement agreement separating their economic affairs.

MR. LEWIN: Your Honor, we would like to publish this letter to the jury. There have been so many things that have been published and read to the jury. I think the easiest way is to give the jury a minute to read it. It is a very short letter. May I hand it out so the jury can take a minute and read it?

THE COURT: All right. It will take more than a minute obviously.

MR. LEWIN: Two minutes, whatever it takes.

THE COURT: We can't do it with all the exhibits. Occasionally, yes.

Ladies and gentlemen, again I ask that you quickly scan what is on this page. I would tell you the document is in evidence and you will have time to read it at your leasure when the case is delivered to you for your deliberation.

As soon as you have completed your reading, ladies and gentlemen, if you would hand your copies down through the row to the marshal.

Ladies and gentlemen, we can now go on with our testimony.

BY MR. LEWIN:

Q. Now, following that event in May of 1978, later that year you have mentioned the Ethics in Government Act of 1978 was enacted. Do you recall that?

A. Yes, I do.

Q. Do you recall that after the enactment of the Ethics in Government Act of 1978, you were asked by Congressman Hansen what his obligations would be with regard to liabilities or assets of Mrs. Hansen under the new law?

A. That is correct.

Q. You were asked to give your legal opinion on that subject?

A. That is correct.

Q. Were you asked for that prior to the submission of the first Ethics in Government Act form that was required to be submitted under the new law?

A. Yes. The new form, under the 1976 Ethics in Government Act, was required to be filed on May 15th, 1978. So the date had changed.

Q. 1978?

A. I am sorry, 1978, May 15th, 1978.

Q. I am asking you, it was enacted in 1976.

A. The first report was 1979, that is right. The Act is 1978 Ethics in Government Act. The first report was to be filed on May 15th, 1979. There we go.

Q. What specifically were you asked?

A. Congressman Hansen asked me, actually both Mr. and Mrs. Hansen asked me, under the new Act, was there a reasonable interpretation available under that Act that would allow Congressman Hansen to continue not to report Mrs. Hansen's income under that Act.

I reviewed the Act. I reviewed some of the legislative history, statements by Chairman Preyer as to the purpose of the act, the intent of the Act. I reviewed the provisions of the Act.

Q. Before you get to that, Mr. Runft, let me ask you, do you keep a diary on or near your desk in which you note appointments and other things?

A. Yes, I do, the typical lawyer's monthly appointment book, each book is for each year.

Q. What I hold in my hand and what I will mark as Defendant's Exhibit 78, is that the form of diary for the year 1979?

A. For 1979, yes.

Q. You brought that with you on your trip here to Washington this time?

A. Correct.

Q. I direct your attention specifically to the month of May of 1979. Do you see any entry in there regarding this matter of the request made to you by Congressman Hansen?

A. Yes. Frequently, throughout the book, in addition to appointments and notes to myself, I will jot down things I have to do. I have listed on Saturday, May 5th, work on several matters. One of the matters listed is to research the 1978 Ethics in Government Act and to advise the Hansens.

Q. Sir, I place before you Defendant's Exhibit 41 for identification. Is that a photocopy of those pages?

A. That is a photocopy of the foldout month of May, 1979, on which the notation I have testified to occurs, yes.

Q. What did you say, yes, it was a photocopy of those pages and you said yes, and you went on to say something? I was speaking to Mr. Weingarten, you have my apologies.

A. I said it was a photocopy of the entire month of May, it is a photocopy of that, yes.

Q. Did you in fact, as you recall, on that weekend, around May 5, 1979, research the Ethics in Government Act?

A. Yes, I did. I recall going to the library, the law library in Boise, and spending considerable time researching on that point, reading the Act, looking at the legislative history and considering it.

Q. Did you come to any conclusion regarding whether or not Congressman Hansen was required, by the Ethics in Government Act, to report debts of his wife, of Connie Hansen's, on his Ethics in Government Act form after he had signed the separation of property agreement?

A. Yes, I did.

Q. What conclusion did you arrive at?

A. My conclusion, or my opinion, consists of two parts. First, I believed or I concluded that in light of the property settlement agreement, which separated the property interests of the parties, that a reasonable interpretation of the Act, particularly Section 702(d)(2) would allow the Congressman not to file information concerning his wife's income.

The second part of my opinion was that this was a new Act, just passed. It had not been interpreted yet, and that the provisions of Section 705 of the Act required that the designated committee, which was the Select Committee on Official Conduct of the House of Representatives, was required to review these reports and to set up a procedure whereby the Committee would determine whether the reports were correct, whether they were complete and whether they were in proper form and advise the Congressman if they were not.

So on that basis, if my decision or my interpretation, as a possible remedy, was wrong, if the Committee were advised of what was being done, the Committee then had a duty to advise Congressman Hansen that this is not the right way to go.

So on that two-part advice, one, I think it can be done as a reasonable interpretation of that Act, in light of what the Congressman and his wife have done with their property, and secondly, based on the duties of the Committee on notice, and, of course, the Committee was on notice that the congressman and his wife had filed the property settlement agreement and what it was all about, that the Committee then had the obligation, under the statute, to advise the Congressman if there was any problem, and he had, as a congressman, under that statute, a right to rely on that.

Q. Did you give that advice and that conclusion to Congressman Hansen at or about the time that you did that research in May of 1979?

A. I did.

Q. That was prior to May 15th, 1979?

A. That is correct.

Q. To your knowledge, did Congressman Hansen accept that advice?

A. Yes, he did.

Q. To your knowledge, was that same advice followed in succeeding years?

A. To my knowledge, it was, yes.

Q. Were there discussions on the general subject of the Ethics in Government Act between yourself and Congressman Hansen, and to mention someone else who was mentioned, Mr. McKenna?

A. Yes, there were. Mr. McKenna had, in the interim, come on the George Hansen staff. Mr. McKenna is also a lawyer. He had become a member of George's staff, and in succeeding months, and actually, in different years, we have discussed these matters from time to time; again, based on the Committee's knowing what the Congressman's situation was and his right to rely on the Committee's duty to report any conclusions it would reach different than the Congressman's.

Q. Now, in terms of the separation of property agreements, is it customary to update them from time to time?

A. Yes. Really, it doesn't change the nature of the agreement, but frequently, it is customary, as parties who are still married but who have separated their property interests, it is customary from time to time to re-establish what is his and what is hers, because sometimes it comes along so every once in awhile you come together and do that. That is quite customary.

Q. Was it your anticipation that at some point, some years after the signing of the separation of property agreement, you would draft an update?

A. Yes. We discussed it on a number of occasions and were actually planning to do so in the early part of 1981, I think, we talked about it.

Q. What an update of that kind would do is it would again list the property values at that time?

A. Correct, and what had been acquired by the Congressman and his wife, and more or less identify the property.

Q. And again divide assets and liabilities so that there would be an approximately equal distribution, is that it?

A. They may or may not be equal, counsel, because one party or the other may acquire more income than the other. But the purpose is merely to identify the property interests at that time. It does not serve to effectually change the nature of the agreement.

Q. Was that done? Was an update actually done?

A. No. We talked about it, and things were put off for awhile. We were, as I recall, thinking about doing it in early

1981, seriously, because I was pressing my clients saying, "This has to be done," and then some other events transpired which put that off.

Q. Directing your attention to early 1981, and specifically to April of 1981 are the events you are referring to the events of the blackmail letter?

A. Yes, those events are the ones I am talking about.

Q. Could you tell us, tell the Court and jury, what the first was that you heard about this blackmail letter?

A. Yes. On Friday, April 3rd, 1981, I got a call from George Hansen and Jim McKenna, stating that they had been advised by counsel for Mr. Bunker Hunt that Mr. Hunt had received what appeared to be a blackmail letter that involved allegations regarding Mr. Hansen and seemed to imply that there were certain plans for foreign expeditions or something. It was quite unclear at that time. The conversation basically went to the point of what should be done.

The Congressman's expressed intention was to immediately take it to the Justice Department, if there was anything to it. One worry, of course, is that the whole thing could be a strange hoax or something just plain silly. These things happen in public life quite a bit, but if it was real, the Congressman's expressed intention to me, and in my opinion, was to take it to the Justice Department.

Q. By the time he called you, an appointment had already been made with the Justice Department, had it not?

A. I believe so. I am not really clear on that. Yes, it had, because we talked about going there and when could I get into town.

Q. Did you in fact go to Washington that weekend?

A. Yes, I left Sunday, arrived there Sunday evening and met with the Congressman and Jim McKenna Sunday evening, and we talked about it. We were anticipating a Mr. Ivan Irwin, who was Mr. Hunt's lawyer, to be coming into town the next day.

THE COURT: That was the gentleman you saw outside who testified today earlier?

A. That is him.

Q. That was the first time you met him?

A. That is correct.

Q. Had you seen him since that date until today?

A. I did not know the man and that is the first time I have seen him since that day.

Q. Did you in fact go to the Justice Department that day on April 6th?

A. Yes, on, I believe it was Monday April 6th, 1981, the Congressman, Jim McKenna, Mr. Irwin and I, went to the Justice Department in the morning and met with Rudolph Giuliani, who I believe at the time was the head of the criminal division of the Justice Department, and with Mr. Giuliani at our meeting was a Mr. Caruso, and Mr. Hansen and all of us related the events and showed the letter to the Justice Department.

Q. Did Congressman Hansen discuss the matter of this silver commodities transaction?

A. Yes.

Q. Had that been discussed with you prior to that date?

A. Only briefly, very, very briefly. I knew very little about it.

Q. Were you involved in all of Congressman Hansen's financial or Mrs. Hansen's financial affairs, or not?

A. No, no.

Q. So they would call on you when they needed legal assistance or advice on matters pertaining to the law?

A. I was aware of the indebtedness regarding Mr. Hunt's loan, because it appeared in the property settlement agreement. The silver transaction, as I have learned subsequent to that time, of course, was a separate transaction. I am not sure it was reflected anywhere in the property settlement agreement.

Q. It was after the property settlement agreement?

A. Yes, it was after the agreement but I say I don't think it was reflected in there.

Q. Under the terms of the property settlement agreement, that silver commodities transaction, the proceeds of that were proceeds which Mrs. Hansen, if she chose, could say, "I will have, for myself, a loan," is that correct?

A. Absolutely.

Q. Prior to the signing of the property settlement agreement, Mrs. Hansen could not do so, is that correct?

A. That is correct, sir.

Q. In other words, without the property settlement agreement, Congressman Hansen would have a right to have half of that proceed, whether she wanted it or not?

A. He would have an equal equity interest in it, yes.

Q. And once that agreement was signed, she could say, "Take your hands off of that, that is all mine," if she so chose?

A. As I understand the nature of that transaction, yes.

Q. But if she chose not to do so, she could permit him to use it, in whole or in part?

A. That is correct.

Q. Now, first let me ask you, did Congressman Hansen answer all the questions that were put to him during the course of that meeting, about the silver transaction?

A. Yes.

Q. When you returned to the office, what happened then?

A. When we returned, we returned with the anticipation that the FBI would be right over to the Congressman's office to carry this matter further. The Congressman was particularly concerned with regard to the implication in the letter that there might be some foreign involvement. It sounded like foreign expedition or something. And he wanted to make sure he had done his part in getting this matter in the right hands.

Quite a bit of time passed that afternoon and there was finally a phone call that came -- I was not on the line but I heard the Congressman's end of the conversation -- and I believe it was from the FBI. I believe it was an agent of the FBI, the indication was that the FBI would be getting in contact soon. The Congressman was quite agitated by this, feeling it was a delay, and he felt the matter needed immediate attention and strongly urged that they get somebody over there right away.

So right at the end of the afternoon, a little before 5:00, two FBI agents did come over, a Mr. Hoy, a Tom Hoy, and a Mr. Tim Trailor, two FBI agents, and spoke with us all, and in particular spoke with Mr. Ivan Irwin, who was departing, I believe, later on that day.

Q. Did they return the next day and do some more interviews?

A. The next day, on the 7th of April, they returned and interviewed Mrs. Hansen and Mr. Hansen.

Q. And yourself?

A. I was there and we spoke. I guess you would call it an interview.

Q. But you didn't have any information?

A. I had no information. I mean, we spoke and I did sit in on Mrs. Hansen's interview, and I believe I sat in on Mr.

Hansen's interview, as I recall. I might not have. I was there part-time.

Q. With regard to the call that Congressman Hansen made to the FBI, when they did not arrive, did he appear angry about the fact that they were not taking this seriously?

A. Not really angry, but he was upset that the matter which could be involving some sort of foreign expedition, the way that letter was written, and it could be, off our shores or something, he wanted to make sure that the message got to the right people quickly. He was upset.

Q. Did he tell them to get the agents over there right away that afternoon?

A. He made quite a point of that, yes.

Q. He wanted the FBI agents there to interview and find out what the facts were?

A. Yes, and to get on with the matter, yes.

MR. LEWIN: One moment, please.

BY MR. LEWIN:

Q. Let me ask you one more question on the separate property agreement, Mr. Runft. Is there any obligation under Idaho law that that agreement be recorded, made a matter of public record, in any way?

A. Under Chapter 9 of Title 32, the requirements for a marriage settlement agreement are that it be in writing, that it be signed and that the signatures be acknowledged, as you do with real property.

There is a provision, 32-917, I believe, that states that an agreement of this nature must be recorded in order to have the effect of real property. The next section, 32-918 provides, however, that if it is not recorded that it would be the same as not recording real property, because obviously not all property settlement agreements necessarily contain real property.

Q. So if it is not recorded, it is still under the decision that you discussed before, effective as between the parties?

A. Absolutely, yes.

MR. LEWIN: Thank you.

THE COURT: Does that complete the direct examination?

MR. LEWIN: Yes, Your Honor.

THE COURT: We are going to take a recess at this time. It will be approximately a ten minute recess, ladies and gentlemen of the jury. Probably it will be our last recess before we recess finally at about 7:00 tonight. So please make the most of it. This will give us a chance to make the reporters change shifts, as I see they want to do.

Mr. Runft, again the admonition, you are in the midst of your testimony and we will continue that there will be no discussion between you and anyone else during this time. Refresh yourself, of course.

(Recess at 5:20)

AFTER RECESS:

(WHEREUPON, AT 5:20 P. M., THE JURY ENTERS.)

WHEREUPON,

JOHN RUNFT

RESUMED THE STAND AND TESTIFIED AS FOLLOWS:

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, WE ARE READY TO RESUME THE PROCEEDINGS. YOU MAY ALL HAVE A SEAT EXCEPT, OF COURSE, FOR MR. WEINGARTEN, WHO IS AT THE LECTURN. BY ALL MEANS, WHENEVER YOU ARE READY.

CROSS-EXAMINATION

BY MR. WEINGARTEN:

Q. GOOD AFTERNOON, MY NAME IS REED WEINGARTEN, AND WE HAVE NOT MET, HAVE WE, SIR?

A. NO.

Q. DO YOU RECALL THOUGH THAT I TELEPHONED YOU A FEW WEEKS AGO, SIR, AND REQUESTED AN OPPORTUNITY TO CHAT WITH YOU ABOUT THIS PROPERTY SEPARATION AGREEMENT?

A. NO, I RECALL THAT THERE WAS A PHONE CALL DURING THE NOON HOUR AT OUR LAW FIRM FROM YOU, AND THE SECRETARY REMARKED THAT YOU WOULD CALL BACK AND THERE NEVER WAS A CALL BACK.

Q. I SEE. THEP WAS NOT A MESSAGE THAT I REQUESTED AN OPPORTUNITY TO TALK TO YOU?

A. THE MESSAGE WAS-- FIRST OF ALL, THE CALL CAME DURING OUR NOON HOUR AND WE HAVE A SECRETARY ON DUTY. I WAS NOT THERE, AND THE MESSAGE WAS THAT THERE WOULD BE A CALL BACK, AND THERE

NEVER WAS ANY OTHER CALL OR ATTEMPT TO CALL BACK ON YOUR PART THAT I KNOW OF.

Q. MR. RUNFT, YOU SAY THE PROPERTY SEPARATION AGREEMENT WAS EFFECTIVE IN JUNE 1977, IS THAT CORRECT?

A. NO, I DON'T THINK I SAID THAT. I BELIEVE THAT THE HANSENS VERBALLY AGREED OR MADE THEIR AGREEMENT IN JUNE AS TO WHAT THE PROPERTY DIVISION WOULD BE, THOSE FIGURES THEY WERE GOING TO USE. BUT THE EFFECTIVE DATE OF THE AGREEMENT IS -- PARDON ME, SEPTEMBER 30, 1977, AS IT STATES IN THE AGREEMENT.

Q. WELL, GEORGE HANSEN HAD REPRESENTED TO SOMEONE, IN PARTICULAR, NELSON BUNKER HUNT, IN APRIL 1977, THAT THERE HAD BEEN A PROPERTY SEPARATION AGREEMENT. DO YOU KNOW WHAT HE COULD HAVE BEEN TALKING ABOUT, SIR?

A. I COULD ONLY ASSUME. I COULD ONLY PRESUME.

Q. WELL, WOULD IT HAVE BEEN THE PROPERTY SEPARATION AGREEMENT THAT YOU HAD EXECUTED FOR THE PARTIES?

A. I WOULD PRESUME THAT HE WOULD BE SPEAKING OF THE INTENT OF THE PARTIES, AND THE WORK THEY WERE DOING IN GOING FORWARD WITH THE SEPARATION AGREEMENT.

Q. WELL, IF HE HAD REPRESENTED TO NELSON BUNKER HUNT THAT IN FACT THEY HAD SEPARATED THE R ACCOUNTS AS OF APRIL 1977, WOULD THAT HAVE BEEN AN ACCURATE STATEMENT, SIR?

A. THEY WERE IN THE PROCESS OF DOING SO.

Q. WHAT IS THE ANSWER TO MY QUESTION, SIR? HAD THEY IN FACT SEPARATED THEIR ACCOUNTS BY THEN, APRIL 1977?

A. THE AGREEMENT WAS EFFECTIVE ON SEPTEMBER 30, 1977. SO IT WOULD NOT HAVE BEEN IN EFFECT, NO.

Q WOULD YOU TURN TO PARAGRAPH 8 OF THE SEPARATION AGREEMENT. WHAT DOES IT READ, SIR?

A. PARAGRAPH 8. "THE PARTIES ACKNOWLEDGE THAT FUNDS RECEIVED BY THE WIFE AS A RESULT OF A PERSONAL SOLICITATION COMMENCING IN MAY AND JUNE, 1977, ARE GIFTS TO THE WIFE, AND ARE THEREFORE SEPARATE PROPERTY."

Q WAS MRS. HANSEN SOLICITING PROPERTY PRIOR TO THE DATE OF THE SEPARATION AGREEMENT SIR?

A. I DO NOT BELIEVE SO, I DON'T KNOW.

Q. WHY DID YOU PUT MAY, 1977, IN THE AGREEMENT?

A. IF, INDEED, THERE WAS ANYTHING BEING SOLICITED DURING THAT PERIOD OR ANY GIFTS RECEIVED THAT WAS TO COVER THAT PARTICULAR SITUATION. SUBSEQUENTLY, TO ANSWER YOUR QUESTION, COUNSEL, SUBSEQUENTLY, I WAS ADVISED THERE WAS NONE.

Q WELL, IF CONNIE HANSEN AND GEORGE HANSEN WERE SOLICITING MONIES FROM NELSON BUNKER HUNT IN APRIL, 1977, WOULD YOU HAVE KNOWN ABOUT THAT, SIR?

A. I DON'T KNOW THAT THEY DID.

THE COURT NO, THE QUESTION WAS: WOULD YOU HAVE KNOWN ABOUT IT?

THE WITNESS: I DON'T KNOW. I DOUBT IT

BY MR. WEINGARTEN:

Q. WELL, HOW CAN YOU REPRESENT, SIR, THAT YOU KNOW NO

GIFTS WERE SOLICITED AS OF MAY AND JUNE OF 1977?

A. I SAY THAT IT IS MY IMPRESSION, COUNSEL.

Q. AND YOUR IMPRESSION MAY BE WRONG. IS THAT RIGHT OR WRONG?

A. POSSIBLY.

Q. AND IF THE JURY HAS HEARD EVIDENCE THAT IN FACT NELSON BUNKER HUNT WAS SOLICITED --

MR. LEWIN: YOUR HONOR, THE JURY HAS NOT HEARD SUCH EVIDENCE.

THE COURT: ALL RIGHT, MR. LEWIN, UP TO THE BENCH. UP TO THE BENCH, COME TO THE BENCH. MR. LEWIN.

AT THE BENCH:

MR. LEWIN: YOUR HONOR, WELL, I WAS GOING TO BE QUIET. BUT HE HAS SAID IN THERE SIX TIMES THAT MR. HUNT SAID, VERY CLEARLY IN RESPONSE TO MY QUESTIONS AND CROSS-EXAMINATION, THAT HE DIDN'T KNOW EXACTLY WHEN CONGRESSMAN HANSEN TALKED TO HIM ABOUT THE PROPERTY SETTLEMENT. IT MAY HAVE BEEN SUBSTANTIALLY AFTER THAT ORIGINAL DISCUSSION IT WAS UNCLEAR ABOUT WHEN THAT WAS. ONE MINUTE I CAN REFER YOUR HONOR TO THE TRANSCRIPT.

THE COURT: ALL RIGHT. WILL YOU?

MR. LEWIN: YES, I WILL.

PAGE 122 OF THE TRANSCRIPT, YOUR HONOR.

THE COURT: 122. WELL, YOU PROBABLY HAVE IT BEFORE I FIND MINE. WHICH LINE ARE YOU POINTING TO? WE CAN ALL READ IT.

MR. LEWIN: I AM POINTING TO WHERE I ASKED MR. HUNT

ABOUT THE SEQUENCE. I SAID. LINE 12. "FOR EXAMPLE, THE CONVERSATION THAT YOU READ TO THE JURY FROM THIS TRANSCRIPT ABOUT CONGRESSMAN HANSEN SAYING THAT HIS WIFE AND HE HAD DIVIDED THEIR ESTATE, MAYBE HAD SEPARATE ACCOUNTS AND THINGS OF THAT KIND, COULD THAT HAVE BEEN SAID AT SEPARATE TIMES AFTER THE INITIAL CONVERSATIONS REGARDING HIS FINANCIAL DIFFICULTIES?

" IT COULD VERY WELL. I JUST DON'T HAVE ANY SPECIFIC RECOLLECTION OF WHEN I WAS TOLD THAT. "

I ASK THAT THE JURY BE TOLD.

THE COURT. COULD HE NOT -- COULD HE NOT HAVE SAID THAT AT ANOTHER TIME?

MR. LEWIN: HE SAID IT IN A QUESTION-ANSWER SESSION THAT WAS ENTIRELY EX PARTE WITH MR. COLE AND MR. WEINGARTEN THAT HE DID NOT TESTIFY ON DIRECT EXAMINATION. MR. WEINGARTEN HAD HIM READ FROM THAT TRANSCRIPT, AND MR. WEINGARTEN SAID DID YOU SAY THAT, HE SAID YES I SAID IT. SO I ASKED HIM ON CROSS COULD THIS HAVE BEEN SAID LATER. SO HE SAID YES IT COULD HAVE.

THE COURT: SO, HE REALLY HAS ANSWERED A COUPLE WAYS?

MR. LEWIN NO. HE ANSWERED THAT HE COULD NOT RECALL WHEN THAT HAPPENED. AND I THINK THAT THE JURY SHOULD BE INSTRUCTED THAT WHAT MR. WEINGARTEN SAID WAS FALSE.

THE COURT: IF I HAVE THIS READ TO THE JURY, I ALSO WILL HAVE TO HAVE THE STATEMENT THAT HE IS REFERRING TO READ TO THE JURY WHERE HE IN EFFECT SAID I SAID THAT.

MR. WEINGARTEN: HE SAID MORE THAN THAT, HE SAID

REPRESENTATIONS ABOUT THE PROPERTY SETTLEMENT AGREEMENT WERE MADE BEFORE THE SOYBEAN TRANSACTION. APRIL, 1977, WAS THE SOYBEAN TRANSACTION. THAT IS WHAT TRIGGERED EVERYTHING.

THE COURT MR. WEINGARTEN, I THINK THE WHOLE THING WILL BE ALLEVIATED IF YOU REPHRASE YOUR QUESTION. IF MR. LEWIN WANTS TO COME BACK ON REDIRECT AND WANTS TO READ THIS, YOU, OF COURSE, YOU CAN BRING YOUR PART OUT BY THE F B I.

MR. LEWIN: I ASK THAT MR. WEINGARTEN'S STATEMENT BE TOLD TO THE JURY THAT IT IS FALSE.

THE COURT: NO, WE WILL NOT DO THAT.

I HAVE SAID THAT YOU CAN TAKE THIS ATTITUDE, AND MR. WEINGARTEN CAN TAKE THE OTHER ONE.

IN OPEN COURT:

THE COURT: NOW, DO WE HAVE A QUESTION?

BY MR. WEINGARTEN:

Q. YES, JUST TO WRAP UP THIS PIECE OF INFORMATION. TO YOUR KNOWLEDGE, WERE THE HANSENS, OR WAS MRS. HANSEN SOLICITING FUNDS IN MAY 1977?

A. TO MY KNOWLEDGE, NO.

NOW, I WANT TO ADD, I WASN'T AWARE, WHEN I DRAFTED THE PROPERTY SETTLEMENT AGREEMENT, THAT THERE HAD BEEN A LOAN, THAT IS IN THE AGREEMENT ELSEWHERE, AND SHOULD THAT BE CONSTRUED TO BE A SOLICITATION. FINE, BUT OTHER THAN THAT, NO.

Q. ALL RIGHT. SO, YOU PUT IN MAY AND JUNE 1977, MONTHS PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, FOR SAFETY

REASONS, OR CAUTIONARY REASONS?

A. YES.

Q. NOW, IS IT FAIR TO SAY, SIR, THAT IN 1977, THE ETHICS COMMITTEE OF UNITED STATES HOUSE OF THE REPRESENTATIVES, CLEARLY SAID NO TO CONGRESSMAN HANSEN'S REQUEST TO SOLICIT FUNDS TO PAY FOR HIS DEBTS? IS THAT A FAIR STATEMENT?

A. THAT IS CORRECT.

Q. NOW, HOW MANY OPINIONS DID THE ETHICS COMMITTEE ISSUE THAT BEAR UPON THIS SUBJECT THAT YOU KNOW ABOUT?

A. WELL, THERE WERE A NUMBER OF OPINIONS, DEALING WITH CAMPAIGN CONTRIBUTIONS. I NEVER, I HAVE NOT COUNTED THEM RECENTLY. I COULDN'T GIVE YOU A TOTAL.

Q. HOW MANY REQUESTS DID CONGRESSMAN HANSEN MAKE?

A. TO THE COMMITTEE?

Q. WAS THERE MORE THAN ONE?

A. HE MADE ONE REQUEST TO MY KNOWLEDGE.

MR. WEINGARTEN: COULD I HAVE DEFENSE EXHIBIT NUMBER ONE, WHICH IS THE ETHICS MANUAL PLEASE.

THE WITNESS ON THAT PARTICULAR SUBJECT.

MR. WEINGARTEN: YOUR HONOR, THIS IS THE ETHICS MANUAL THAT IS IN EVIDENCE.

BY MR. WEINGARTEN:

Q. I ASK YOU TO TURN TO ADVISORY OPINION NUMBER 4, PAGE 159, SIR.

MR. LEWIN: DOES GOVERNMENT COUNSEL HAVE ANOTHER COPY

OF THAT BOOK? I AM AFRAID WE PUT OUR ONLY ONE IN EVIDENCE.

MR. WEINGARTEN: I AM SORRY. THAT IS THE ONLY ONE HERE.

BY MR. WEINGARTEN:

Q. HAVE YOU FOUND IT, MR. RUNFT?

A. I HAVE.

Q. WHAT IS THE SUBJECT UNDER " ADVISORY OPINION NUMBER FOUR, " WHAT IS THE QUESTION?

A. " ADVISORY OPINION NUMBER FOUR" UNDER THE HOUSE RULES -- "SUBJECT. UNDER HOUSE RULES, MAY A MEMBER OF THE HOUSE OR THE SPOUSE OF A MEMBER SOLICIT CASH GIFTS OF LESS THAN $100 FOR PERSONAL USE THROUGH A DIRECT MASS MAILING?"

Q. WAS THAT CONGRESSMAN HANSEN'S QUESTION, SIR?

A. I DON'T RECOGNIZE IT IS A BEING " ADVISORY OPINION NUMBER FOUR. " I DON'T RECALL THAT NOMENCLATURE AT ALL.

Q. " REASON FOR ISSUANCE," WHAT IS THAT?

A. " A MEMBER OF THE HOUSE HAS REQUESTED AN ADVISORY OPINION AS TO WHETHER HIS PROPOSAL TO SOLICIT GIFTS OF LESS THAN $100 WOULD BE IN VIOLATION OF RULE 53. "

Q. ALL RIGHT. IN YOUR CONSULTATIONS AND IN YOUR REPRESENTATION OF CONGRESSMAN HANSEN, DID YOU COME ACROSS THIS ADVISORY OPINION, SIR?

A. I DON'T RECALL. AS I SAID BEFORE, COUNSEL ,IT HAS BEEN A NUMBER OF YEARS. I DON'T RECALL, FRANKLY, WHICH PARTICULAR OPINIONS I REVIEWED, WHEN I REVIEWED THEM. I DON'T EVEN KNOW WHEN THIS PARTICULAR ETHICS OPINION WAS ISSUED.

I DO RECALL AT THE TIME, 7 YEARS AGO, THAT I SPENT A LOT OF TIME GOING OVER ALL OF THIS ADVISING MY CLIENT.

Q. PERHAPS IF YOU READ THE LAST TWO PARAGRAPHS ALOUD, SIR, IT MIGHT RING A BELL OR TWO?

A. WILL YOU REFER ME TO PAGE 161 NOW?

Q. YES, THE LAST TWO PARAGRAPHS OF THE BACKGROUND SECTION?

A. IS THAT ON PAGE 160 AT THE BOTTOM?

Q. MY BOOK IS A LITTLE DIFFERENT, SO MAYBE I'LL SHOW YOU?

MR. LEWIN: BY THE WAY, YOUR HONOR, DO I UNDERSTAND THAT MR. WEINGARTEN IS MOVING TO PUT THE WHOLE BOOK INTO EVIDENCE?

MR. WEINGARTEN: THE WHOLE BOOK IS IN EVIDENCE.

MR. LEWIN: NO, THAT WAS ONLY THE FINANCIAL DISCLOSURE SECTION. BUT HE OBJECTED TO THE REST OF THE BOOK AND, CONSEQUENTLY, I ADVISED THE COURT WE WERE ONLY PUTTING THE FINANCIAL DISCLOSURE SECTION.

THE COURT I THOUGHT THE BOOK WAS IN EVIDENCE BECAUSE WE HAD A DISCUSSION THAT THERE SHOULD BE A COPY OF THE FINANCIAL DISCLOSURE SECTION. I BELIEVE THE BOOK IS IN EVIDENCE IN ENTIRETY.

MR. LEWIN: WE HAVE NO OBJECTION TO THE ENTIRE BOOK.

THE COURT: JOE, THE ENTIRE BOOK IS IN EVIDENCE?

IT SAYS," FINANCIAL DISCLOSURE SECTION. "

YOU ARE RIGHT MR. LEWIN. THAT IS APPARENTLY WHAT CAME IN AT THAT TIME. MY CLERK HAS, " ONE RED PAPERBACK BOOK, ENTITLED, ETHICS MANUAL, FINANCIAL DISCLOSURE SECTION. "

MR. LEWIN: SO, IS MR. WEINGARTEN IS MOVING TO PUT THE WHOLE BOOK IN EVIDENCE?

MR. WEINGARTEN: WE ARE SO MOVING.

THE COURT: ALL RIGHT. YOU ARE SO MOVING AND THERE IS NO OBJECTION. AND IT IS IN

(WHEREUPON, DEFENDANT'S EXHIBIT NO. 1 WAS RECEIVED INTO EVIDENCE IN ITS ENTIRETY,UPON MOTION OF THE GOVERNMENT.)

BY MR. WEINGARTEN:

Q. MR. RUNFT, WILL YOU READ THOSE LAST TWO PARAGRAPHS, SIR?

A. DO YOU WISH ME TO READ THEM INTO THE RECORD?

Q. YES?

A. "A MAJOR THRUST OF THE PROVISIONS CONTAINED IN THE NEW HOUSE RULE-- "

Q. EXCUSE ME. THE LAST TWO PARAGRAPHS. START WITH THE PARAGRAPH FOLLOWING THAT. " THE FINAL QUESTION."

A. "THE FINAL QUESTION CONCERNS THE PROPRIETY OF A SPOUSE RAISING FUNDS THROUGH MASS MAIL SOLICITATION FOR THE BENEFIT OF THE MEMBER. WHILE THE SELECT COMMITTEE RECOGNIZES THE BASIC INDEPENDENCE OF THE SPOUSE. THE SPOUSE UNDER THESE CIRCUMSTANCES WOULD BE ACTING ESSENTIALLY ON BEHALF OF THE MEMBER. THUS, THE MEMBER WOULD BE CONDUCTING INDIRECTLY THE VERY ACTIVITIES HE WOULD BE PROHIBITED FROM ENGAGING IN

DIRECTLY.

"CONSEQUENTLY, THE MASS MAIL SOLICITATION OF FUNDS BY A SPOUSE FOR A MEMBER'S USE ALSO APPEARS TO VIOLATE THE'SPIRIT' OF HOUSE RULES.".

Q. THANK YOU, SIR.

SO, IT IS FAIR TO SAY THAT THERE ARE AT LEAST TWO ETHICS COMMITTEE RULES DIRECTLY ON POINT THAT SAYS TO CONGRESSMAN HANSEN: NO, YOU CAN'T SOLICIT FUNDS. AND EVEN CONNIE HANSEN: NO, YOU CAN'T SOLICIT FUNDS ON BEHALF THE CONGRESSMAN HANSEN. IS THAT A FAIR STATEMENT?

A. I DON'T KNOW WHEN THIS OPINION WAS ISSUED, COUNSEL.

Q. YOU HAVE NO AWARENESS OF THAT OPINION, SIR?

A. I MIGHT HAVE 7 YEARS AGO. I DON'T HAVE A PRESENT RECOLLECTION NOW.

Q. IS THAT ON POINT AS YOU READ IT NOW, SIR? CAN YOU RELATE IT BACK THEN?

A. WELL, I HAVEN'T READ THE WHOLE OPINION. IF YOU WISH ME TO, I WILL.

Q TAKE YOUR TIME, THEN, SIR.

A. O. K. HAVING REFRESHED MY MEMORY, COUNSEL, I BELIEVE I WAS AWARE OF THIS ADVISORY OPINION NUMBER FOUR, AND THE REASON I BELIEVE I WAS AWARE OF IT IS THAT I DIRECT YOUR ATTENTION TO EXHIBIT 35, WHICH IS ADVISORY OPINION NUMBER ELEVEN WHICH WE REFERRED TO EARLIER, AND THAT DOES REFER TO ADVISORY OPINION NUMBER FOUR. AND ADVISORY OPINION NUMBER 11 STATES THAT WITH

REGARD TO MR. HANSEN'S REQUEST, THAT AN ADDITIONAL QUESTION HAD BEEN ASKED WHICH CONCERNS THE ACCEPTANCE OF FUNDS FOR A MEMBER'S UNRESTRICTED PERSONAL USE THAT ARE RAISED BY A GROUP INDEPENDENT OF THE MEMBER, HIS SPOUSE, STAFF, OR CAMPAIGN COMMITTEE.

AND I WOULD SUBMIT THAT THE QUESTION MR. HANSEN POSED TO THE COMMITTEE AND WHICH WAS ANSWERED IN ADVISORY OPINION NUMBER 11 WAS DIFFERENT SIGNIFICANTLY SO THAN THAT COVERED BY ADVISORY OPINION NUMBER FOUR.

Q. WELL FOUR, OF COURSE, SAYS NEITHER A WIFE NOR A HUSBAND CAN GO OUT AND SOLICIT FUNDS FOR THE BENEFIT OF A HUSBAND IF THE HUSBAND JUST HAPPENS TO BE A CONGRESSMAN, ISN'T THAT TRUE?

A. WELL, IT SAYS THAT WITHOUT THE ADDITIONAL QUESTION THAT IS POSED IN NUMBER 11, YES.

Q. AND THE ADDITIONAL QUESTION IN NUMBER 11 IS THAT AN ORGANIZATION COULD BE USED? WHAT IS THE BOTTOM LINE DIFFERENCE BETWEEN 11 AND FOUR? WHAT WAS CONGRESSMAN HANSEN ADDING BY ADVISORY OPINION NUMBER 11?

A. I BELIEVE THAT THE PRINCIPAL DISTINCTION IS SET FORTH IN EXHIBIT NUMBER 14 WHICH IS THE LETTER OF APRIL FIVE, BY CONGRESSMAN HANSEN TO THE CHAIRMAN WHICH STATES IN THE PARAGRAPH AT THE BOTTOM OF THE PAGE, AS FOLLOWS,

"IN CONJUNCTION WITH THE 11 POINT PLAN CLEARED WITH THE FEC-- " THAT IS THE ONE THE FEC APPROVED OR SAID THERE WAS

NO JURISDICTION FOR IT. "SAID COMMITTEE WOULD OPERATE ENTIRELY INDEPENDENT OF ME IN EVERY RESPECT." AND THERE WOULD APPEAR TO BE WHAT THE ETHICS COMMITTEE IS TALKING ABOUT HERE, IN ADVISORY OPINION NUMBER 11, WHEN IT SAYS, " AN ADDITIONAL QUESTION HAS BEEN ASKED WHICH CONCERNS THE ACCEPTANCE OF FUNDS FOR MEMBERS' UNRESTRICTED PERSONAL USE THAT ARE RAISED BY ANYONE INDEPENDENT OF THE MEMBER, HIS SPOUSE, STAFF OR CAMPAIGN COMMITTEE."

Q. AND THE ANSWER THERE IS NO?

A. YES, THAT IS CORRECT.

Q. AND JUST CLEARING UP FEC-- FEDERAL ELECTIONS COMMISSION'S DECISION -- THE FEC NEVER AUTHORIZED ANY PLAN BY CONGRESSMAN HANSEN, DID IT?

A. THAT IS CORRECT.

Q. IT SIMPLY SAID YOU ARE REPRESENTING TO US ELECTIONS AREN'T INVOLVED; WE HAVE NO JURISDICTION OVER HERE BUT YOU BETTER CHECK WITH THE HOUSE OF REPRESENTATIVES. THAT IS IN ESSENCE WHAT THE FEC SAID, IS IT NOT?

A. THAT IS ITS DECISION, YES.

Q. IS IT FAIR TO SAY, SIR, THAT THE WHOLE PURPOSE OF THE PROPERTY SEPARATION AGREEMENT WAS TO GET AROUND THE TWO RULINGS OF THE HOUSE ETHICS COMMITTEE?

A. NO, THE PURPOSE WAS TO ASSIST THE HANSENS IN OVERCOMING A SEVERE PROBLEM, A PERSONAL PROBLEM, AND TO DO IT IN A MANNER WITHIN THE LAW, THAT WOULD BE KNOWN TO THE ETHICS COMMITTEE, WHICH IT IS, AND NOT OBJECTIONABLE TO THEM.

Q. MR. RUNFT, THE 95TH CONGRESS CAME DOWN WITH TWO OPINIONS SAYING NO TO CONGRESSMAN HANSEN IN HIS EFFORTS TO SOLICIT FUNDS IN A VARIETY OF WAYS. IS IT NOT TRUE, SIR, THAT THOSE --

MR. LEWIN: YOUR HONOR, I OBJECT TO THOSE ASSERTIONS. AGAIN, MR. WEINGARTEN IS MAKING ASSERTIONS THAT ARE CONTRARY TO FACT.

THE COURT: COUNSEL, DO YOU WANT TO COME TO THE BENCH?

MR. LEWIN: NO, YOUR HONOR.

MR. WEINGARTEN: I DON'T LIKE COUNSEL MAKING STATEMENTS IN THE WELL.

THE COURT: COUNSEL, LET'S ASK IT AS A MATTER OF QUESTION. ALL RIGHT? MR. WEINGARTEN, WILL YOU ASK A QUESTION OF THE WITNESS?

BY MR. WEINGARTEN:

Q. AS A MATTER OF FACT, SIR, THE PROPERTY SETTLEMENT AGREEMENT WAS NEVER CONTEMPLATED UNTIL THE HOUSE OF REPRESENTATIVES SAID NO, YOU CAN'T SOLICIT FUNDS, CONGRESSMAN HANSEN AND NO, YOUR WIFE CAN'T DO IT ON YOUR BEHALF?

A. AS I TESTIFIED, IN MARC ., IT WAS, MARCH OF 1977, I ACTUALLY DISCUSSED THE POSSIBILITY OF A PROPERTY SETTLEMENT AGREEMENT AS A LEGITIMATE MEANS OF ASSISTING THE HANSENS WITH CHARLES WIGGINS, WHO AT THAT TIME WAS THE RANKING MINORITY MEMBER ON THE ETHICS COMMITTEE --.

Q. WAS THAT --

A. IF I MAY FINISH? THAT PARTICULAR DISCUSSION, WITH REPRESENTATIVE WIGGINS, WAS PRIOR TO THE ADVISORY OPINION NUMBER 11, WHICH WAS THE ONLY OPINION I KNOW OF DIRECTLY ANSWERING MR. HANSEN'S REQUEST.

Q. ARE YOU SAYING FOUR DOESN'T DIRECTLY ANSWER WHAT CONGRESSMAN HANSEN WANTED TO DO, SIR?

A. I AM SAYING WHAT CONGRESSMAN HANSEN SPOKE TO WAS A PLAN WHICH WAS SET FORTH IN THE APPLICATION WHICH WAS ANSWERED BY OPINION NUMBER 11.

Q YOU ARE NOT SUGGESTING TO THE JURY, SIR, THAT ADVISORY OPINION NUMBER FOUR HAS NO RELEVANCE TO WHAT CONGRESSMAN HANSEN WAS TRYING TO DO, ARE YOU, SIR?

A. I'M SAYING THAT CONGRESSMAN HANSEN WAS AWARE THROUGH ME OF ADVISORY OPINION NUMBER FOUR AND OF THE PLAN PRESENTED TO WHICH ADVISORY OPINION NUMBER 11 ANSWERS, CONSIDERS NUMBER FOUR AND POINTS OUT THAT THIS IS AN ADDITIONAL DISTINCTION, ADDITIONAL QUESTION, WHICH HAD BEEN PUT BEFORE THE COMMITTEE.

Q. ARE YOU SUGGESTING, SIR, THAT YOU CONSIDER THE PROPERTY SEPARATION AGREEMENT INDEPENDENT OF THE HOUSE SAYING NO TO CONGRESSMAN HANSEN?

A. I DON'T KNOW WHAT YOU MEAN.

Q. IS IT NOT A FACT, SIR, THAT THE WHOLE PURPOSE OF THE PROPERTY SEPARATION AGREEMENT WAS TO GET AROUND THESE RULINGS?

A. THE WHOLE PURPOSE OF THE PROPERTY SETTLEMENT AGREEMENT

WAS TO DEVISE A LEGAL AND PROPER WAY WHICH COULD BE PRESENTED TO THE COMMITTEE BY WHICH THE HANSENS COULD RELIEVE THEMSELVES OF THIS PARTICULAR PROBLEM.

Q. WAS THIS PROPERTY SETTLEMENT AGREEMENT PRESENTED TO THE COMMITTEE, SIR?

A. HOW DO YOU MEAN, PRESENTED TO THEM IN FACT? NO, I TESTIFIED THAT I HELD IT AS A MATTER OF PRIVATE PROPERTY, BUT THE COMMITTEE IS AWARE OF IT.

Q. LET'S TALK ABOUT THE EFFECT OF THE AGREEMENT. AND, OF COURSE, IT HAS NEVER BEEN FILED IN A PUBLIC COURTHOUSE, HAS IT?

A. NO.

Q. AND OF COURSE, YOU ARE AN EXPERT IN IDAHO LAW, AND I AM NOT. AND I AM NOT GOING TO QUARREL WITH YOU ON THAT SUBJECT, BUT THERE IS A STATUTE THAT SAYS PROPERTY SETTLEMENT AGREEMENTS MUST BE RECORDED, IS THERE NOT?

A. THAT IS NOT THE WHOLE STATUTE. IF YOU WISH TO DISCUSS THE STATUTE, I WOULD LIKE TO HAVE A COPY OF IT.

MR. WEINGARTEN: MARK THIS AS THE NEXT GOVERNMENT EXHIBIT.

THE COURT: ALL RIGHT.

THE DEPUTY CLERK: GOVERNMENT EXHIBIT 64 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED GOVERNMENT'S EXHIBIT 64 FOR IDENTIFICATION.)

BY MR. WEINGARTEN.

Q. MR. RUNFT, I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 64 AND ASK YOU, SIR, IF YOU CAN IDENTIFY IT?

A. THIS APPEARS TO BE SECTIONS OF THE IDAHO CODE, STATUTE, OR TITLE 32, CHAPTER 9.

Q. ALL RIGHT. AND YOU TESTIFIED IN YOUR DIRECT EXAMINATION THAT THERE WAS A PROVISION, I THINK YOU SAID 917 THAT RELATES TO THE FORMALITIES REQUIRED OF MARRIAGE SETTLEMENTS, IS THAT NOT TRUE, SIR?

A. I SEEM TO BE ONE NUMBER OFF, HERE. I AM NOT AWARE THAT THIS IS AN UPDATED COPY OF THE STATUTE, BUT I RECOGNIZE WHAT APPEARS TO BE THE LANGUAGE OF THESE SECTIONS.

Q. HAS THE CODE BEEN ALTERED IN THE LAST YEAR OR SO?

A. THERE WAS A, I BELIEVE THERE WAS AN AMENDMENT OF SECTION 32-916. I AM NOT SURE.

BUT, IN ANY EVENT, WHETHER OR NOT I WAS OFF A SECTION, THE POINT HERE IS THAT 32-917 SETS FORTH THE FORMALITIES REQUIRED OF VARIOUS SETTLEMENTS, AND AS I TESTIFIED, ALL CONTRACTS FOR MARRIAGE SETTLEMENTS MUST BE IN WRITING, EXECUTED, ACKNOWLEDGED OR PROVED IN LIKE MANNER AS CONVEYANCES OF LAND ARE REQUIRED TO BE EXECUTED AND ACKNOWLEDGED OR PROVEN.

SECTION 33-918. MARRIAGE SETTLEMENTS RECORD. PROVIDES THAT WHEN SUCH CONTRACT IS ACKNOWLEDGED OR PROVED, IT MUST BE RECORDED IN THE OFFICE OF THE RECORDER OF EVERY COUNTY IN WHICH THE REAL ESTATE MUST BE SITUATED AS GRANTED OR EFFECTED BY SUCH

CONTRACT.

AND IT IS THEN SECTION 32-919 THAT PROVIDES EFFECTIVE RECORD. THE RECORDING OR NONRECORDING OF SUCH A CONTRACT HAS A LIKE EFFECT AS THE RECORDING OR NONRECORDING OF A CONVEYANCE OF REAL PROPERTY.

MR. WEINGARTEN: MAY WE MOVE INTO EVIDENCE GOVERNMENT EXHIBIT 64?

THE COURT: ANY OBJECTION?

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS NOW IN EVIDENCE.

(WHEREUPON, GOVERNMENT'S EXHIBIT 64 WAS RECEIVED INTO EVIDENCE.)

BY MR. WEINGARTEN:

Q. YOU TESTIFIED IN YOUR DIRECT EXAMINATION, I THINK, THAT IF YOU DO NOT FILE A REAL ESTATE DEED, IT IS INEFFECTIVE AS TO THIRD PARTIES, IS THAT CORRECT?

A. SOMETIMES. IT DEPENDS. IT STANDS AS A NONPERFECTED TRANSFER OF REAL PROPERTY.

Q. AND A BONA FIDE PURCHASER OR A PARTY OUT THERE WITH A GOOD CLAIM TO PROPERTY HAS A BETTER RIGHT THAN THE PERSON WHO HASN'T FILED IT, IS THAT RIGHT?

A. THAT IS CORRECT.

Q. AND, OF COURSE, THE PROPERTY SEPARATION AGREEMENT NOT BEING FILED, YOU WOULD BE IN PRECISELY THE SAME SITUATION?

A. THE PROPERTY SETTLEMENT AGREEMENT THAT IS NOT FILED

WOULD BE A PROPERTY SETTLEMENT AGREEMENT -- THERE ARE PROPERTY SETTLEMENT AGREEMENTSWHICH HAVE NO REAL PROPERTY, AND THERE ARE PROPERTY SETTLEMENT AGREEMENTS THAT HAVE REAL PROPERTY. THE QUESTION IS WHETHER OR NOT YOU WANT TO RECORD IT. YOU COULD CHOOSE TO DO THAT OR NOT CHOOSE TO DO IT.

Q. WELL, IF YOU WANT TO HAVE IT EFFECTIVE FOR THE REST OF THE WORLD, YOU WOULD RECORD IT?

A. NOT NECESSARILY. IF YOU HAD A PROPERTY SETTLEMENT AGREEMENT WITHOUT REAL PROPERTY, THERE IS NO REQUIREMENT.

Q. WAS THERE REAL PROPERTY IN THIS PROPERTY SETTLEMENT AGREEMENT?

A. THERE IS REAL PROPERTY REFERRED TO AND ALSO A DEED TO BE EXECUTED IN THIS CASE.

Q. WHAT ELSE WERE YOU GOING TO SAY?

A. THAT IS IT.

Q. THIS PROPERTY SETTLEMENT AGREEMENT ALLEGES TO TRANSFER CERTAIN LOANS FROM CONGRESSMAN HANSEN TO MRS. HANSEN, IS THAT CORRECT, SIR?

A. REPEAT THAT AGAIN PLEASE.

Q. ARE LOANS TRANSFERRED OR ALLEGED TO BE TRANSFERRED BY THIS PROPERTY SEPARATION AGREEMENT FROM CONNIE HANSEN TO GEORGE HANSEN AND OTHER LOANS FROM GEORGE HANSEN TO CONNIE HANSEN?

A. THERE ARE DEBTS TRANSFERRED, YES.

Q. AND IF CONGRESSMAN HANSEN HAD A DEBT WITH SOMEONE, AND IN YOUR OFFICE TRANSFERRED THAT DEBT TO HIS WIFE, WHERE WOULD

THE LENDER BE, SIR LEGALLY? WOULD HE LOSE HIS RIGHT TO COLLECT THAT DEBT FROM GEORGE HANSEN?

A. NO. THE LENDER IN ANY PROPERTY SETTLEMENT OR ANYTHING LIKE THIS, A PREVIOUS LENDER WHETHER IT IS RECORDED OR UNRECORDED ALWAYS HAS THE RIGHT TO PROCEED AGAINST THE TWO PARTIES INVOLVED, THAT IS NOT THE PURPOSE OF THE SEPARATE PROPERTY AGREEMENT, OF COURSE, IN ANY WAY, SHAPE OR FORM TO PREVENT A PREVIOUS LENDER FROM COLLECTING ON THE DEBT.

Q. IF CONGRESSMAN HANSEN TOOK MORTGAGES, PURSUANT TO THIS AGREEMENT THAT ORIGINALLY HAD CONNIE HANSEN'S NAME ON IT, WOULD CONNIE HANSEN BE RELEASED FROM THAT DEBT?

A. I STATED TO YOU, NO DEBT -- THE EFFECT OF A PROPERTY SETTLEMENT AGREEMENT AS TO NO DEBT RELIEVES THE OBLIGATION TO THE CREDITORS? NO, SIR. THAT IS NOT THE PURPOSE OF IT. NEVER HAS BEEN.

Q. AS TO CREDITORS, THIS PROPERTY SEPARATION AGREEMENT AFFECTS NOTHING?

A. AS TO CREDITORS, THE CREDITORS STILL HAVE A RIGHT TO COLLECT THE DEBT FROM BOTH PARTIES. THAT HAS BEEN THE LAW AND IT IS THE LAW.

Q. HOW ABOUT MY QUESTION. AS TO CREDITORS, THIS PROPERTY SEPARATION AGREEMENT MEANS NOTHING?

A. WELL, I DON'T KNOW THAT YOU CAN SAY IT MEANS NOTHING. THEY CAN PROCEED AGAINST BOTH PARTIES, YES.

Q. THEY CAN PROCEED AGAINST THE PARTY THAT ORIGINALLY--

A. GO AHEAD.

Q. THEY CAN PROCEED AGAINST THE PARTY WHO ORIGINALLY HAD THE DEBT?

A. I THINK IT MEANS IN THIS CASE QUITE A BIT.

THE COURT: SIR, WOULD YOU ANSWER THE QUESTION, PLEASE? CAN THEY PROCEED AGAINST THE PARTY WHO ORIGINALLY HAD THE DEBT?

THE WITNESS: YES, I SAID THAT, YOUR HONOR, SEVERAL TIMES. THE PURPOSE OF A PROPERTY SETTLEMENT AGREEMENT IS NOT TO STOP CREDITORS. AND NEVER HAS BEEN. THEY CAN PROCEED AGAINST THE PARTIES. BECAUSE THE PROPERTY SETTLEMENT AGREEMENT IS EXECUTED AFTER THE DEBTS HAVE BEEN ACQUIRED. THAT IS CLEAR.

MR. LEWIN: MR. WEINGARTEN INTERRUPTED THE WITNESS BEFORE HE COULD EXPLAIN HOW IT AFFECTED CREDITORS.

THE COURT: GO AHEAD.

THE WITNESS: I WAS JUST GOING TO SAY THAT BY AND LARGE, I THINK MOST OF THESE CREDITORS WERE APPRECIATIVE AND UNDERSTOOD THIS ASSIGNMENT AND RESPECTED THIS ASSIGNMENT OF THE DEBT TO ONE PARTY OR THE OTHER.

BY MR. WEINGARTEN:

Q. HOW DO YOU KNOW THAT?

A. I BELIEVE THAT TO BE THE CASE.

Q. DO YOU KNOW RICHARD GARVIN, A BANKER IN IDAHO?

A. I HAVE HEARD OF HIM.

Q. DO YOU KNOW WHETHER OR NOT HE RESPECTED THIS PROPERTY SEPARATION AGREEMENT, SIR?

A. I HAVE NO IDEA.

Q. BUT YOU ARE WILLING TO TESTIFY THAT YOU THINK THAT CREDITORS, CREDITORS PURSUANT TO THIS DOCUMENT RESPECTED THE PROPERTY SEPARATION AGREEMENT? WE HAD SUCH A CREDITOR IN COURT, MR. RUNFT.

A. I BELIEVE MOST OF THESE PEOPLE WHO WERE CREDITORS OF THE HANSENS, LIKED THE HANSENS, AND WOULD RESPECT THEIR WISHES, AND I BELIEVE THEM TO BE FRIENDS, AND WOULD BE REASONABLY FRIENDLY ABOUT IT, AND WOULD RESPECT THEIR WISHES. THAT IS ALL I AM SAYING.

Q. JUST SO WE ARE PERFECTLY CRYSTAL CLEAR ON THIS ITEM. THIS DOCUMENT PURPORTS TO GIVE MORTGAGES OF A PARTICULAR PIECE OF REAL ESTATE TO CONGRESSMAN HANSEN, AND THE REAL ESTATE TO MRS. HANSEN?

A. THAT IS CORRECT.

Q. MR. HANSEN WOULD TAKE THE MORTGAGES, MRS. HANSEN WOULD TAKE THE REAL ESTATE?

A. THAT IS PART OF THE SETTLEMENT, YES. PART OF THE TRANSFER.

Q. AND IF MR. HANSEN FORFEITED ON HIS MORTGAGE, COULD THE BANK THEN COME IN AND TAKE THE HOUSE, EVEN THOUGH IT WAS IN CONNIE HANSEN'S NAME PURSUANT TO THIS DOCUMENT?

A. COUNSEL, I HAVE STATED AND I'LL STATE IT AGAIN, YES, THAT GOES TO ALL DEBTS UNDER THE AGREEMENT. THE AGREEMENT IS NOT FOR THE PURPOSE OF AVOIDING ANY PREEXISTING DEBTS.

Q. LET'S LIMIT OUR QUESTION TO THE WORLD OUTSIDE THE HANSENS. IS IT NOT A FAIR STATEMENT, SIR, THAT THIS DOCUMENT IS MEANINGLESS AS TO THE THIRD WORLD? NOT THE THIRD WORLD, BUT AS TO THE WORLD OUTSIDE THE HANSENS?

A. YOU MEAN PREEXISTING CREDITORS?

Q. ANYBODY AFFECTED BY THIS DOCUMENT? WHO COULD BE AFFECTED BY THIS DOCUMENT OUTSIDE THE HANSENS' FAMILY WHO COULD BE AFFECTED IN ANY WAY AT ALL?

A. THE PEOPLE DEALING WITH THE HANSENS AFTER THE AGREEMENT, SHOULD THE HANSENS ADVISE THEM OF THE AGREEMENT, COULD BE AFFECTED BY IT.

Q. AND IF THE HANSENS DIDN'T ADVISE A BANKER OF THE EXISTENCE OF THIS DOCUMENT, WOULD THAT BANKER BE IN ANY WAY AFFECTED BY THE EXISTENCE OF THIS AGREEMENT?

A. I BELIEVE A BANKER OR A CREDITOR WOULD HAVE TO BE ADVISED, YES.

Q. IF MRS. HANSEN WENT DOWN TO DALLAS AND DEALT WITH A DALLAS BANKER AND NEVER REPRESENTED TO THAT BANKER THAT THERE WAS A PROPERTY SEPARATION AGREEMENT, WOULD THAT BANKER BE OBLIGED OR WOULD HE BE AFFECTED IN ANY WAY BY THIS AGREEMENT?

A. IF THAT HAPPENED, NO.

Q AND PARTICULARLY SINCE SHE HADN'T FILED THAT AGREEMENT? WOULD IT BE ANY DIFFERENT IF SHE HAD FILED IT?

A. NOT NECESSARILY.

Q. AS BETWEEN THE HANSENS YOU SAY THERE IS --

A. LET ME ANSWER THAT QUESTION YOU JUST POSED. THE FILING UNDER IDAHO LAW OF A MARRIAGE SETTLEMENT AGREEMENT, I DON'T BELIEVE HAS THE EFFECT OF RECORD SUCH AS --

Q. SUCH AS REAL ESTATE?

A. SUCH AS REAL ESTATE, IN ALL CASES. IT MIGHT. THERE IS SOME DOUBT ON THAT.

Q. NOW, YOU TESTIFIED IN DIRECT EXAMINATION THAT AS BETWEEN THEM THERE IS SOME EFFECT THAT THIS AGREEMENT CAUSES?

A. NOT SOME EFFECT. IT IS EFFECTIVE.

Q. AND IT HAS TO DO WITH THE INHERITANCE OF PROPERTY?

A. WELL, NOT JUST THE INHERITANCE OF THE PROPERTY. AS BETWEEN THEM, IT IS A COMPLETE SEPARATION AND IT AFFECTS ALL ASPECTS OF PROPERTY AS BETWEEN THEM.

Q. YOU ARE REPRESENTING THAT THIS IS A SOLEMN AGREEMENT TO SEPARATE PROPERTY BETWEEN THE HANSENS?

A. I AM.

Q. DO YOU KNOW, DID THE HANSENS FILE A WILL FOLLOWING THIS PROPERTY SEPARATION AGREEMENT?

A. DID THEY FILE A WILL? NO. THEY DID NOT FILE A WILL NOR DID THEY EXECUTE A WILL.

Q. ARE YOU THEIR LAWYER AS FAR AS THEIR WILL IS CONCERNED?

A. YES, WE TALKED ABOUT THAT.

Q. AND DO THEY INHERIT PROPERTY FROM EACH OTHER SHOULD ONE PREDECEASE THE OTHER?

A. NO, IN THE PROPERTY SETTLEMENT AGREEMENT, THAT

PARTICULAR RIGHT IS EXPRESSLY GIVEN UP. I REFER YOU TO PARAGRAPH 15. " EACH PARTY HERETO DOES HEREBY WAIVE ANY AND ALL RIGHT TO INHERIT THE ESTATE OF THE OTHER, " AND SO ON.

Q. UNLESS UNDER A WILL EXECUTED SUBSEQUENT TO THE EFFECTIVE DATE HEREOF?

A. YES, THAT'S CORRECT.

Q. TO YOUR KNOWLEDGE IS THERE A SUBSEQUENT WILL?

A. THERE IS NO WILL.

Q. THAT YOU KNOW OF?

A. I AM SURE THERE IS NO WILL.

Q. NOW, IN SOLEMN SEPARATION OF PROPERTY. LET'S MOVE, AND SEE WHAT THE EFFECT OF THIS AGREEMENT HAS BEEN.

FIRST OF ALL, OF COURSE, YOU HAVE BEEN ASKED ABOUT TAXES. DO YOU KNOW SIR, WHETHER OR NOT THE CONGRESSMAN AND HIS WIFE FILED JOINTLY?

A. I BELIEVE THEY HAVE.

Q. AND, OF COURSE, THEY FILED JOINTLY, BECAUSE IT IS TO THEIR ECONOMIC ADVANTAGE TO DO SO LIKE EVERYBODY ELSE? IS THAT A FAIR STATEMENT, DO YOU KNOW THAT?

A. I SUSPECT IT IS TRUE.

Q. DO YOU KNOW ANYTHING ABOUT THE HANSENS' ACCOUNTS?

A. VERY LITTLE.

Q. TO YOUR KNOWLEDGE, HOW MANY BANK ACCOUNTS HAVE THE HANSENS HAD SINCE 1977.

A. I HAVE NO IDEA.

Q. DO YOU KNOW OF ANY?

A. I DON'T KNOW THEM BY NUMBER. I KNOW SOME BANKS WHERE THEY HAVE HAD ACCOUNTS. FIRST SECURITY BANK OF IDAHO, FOR EXAMPLE. I BELIEVE IDAHO BANK AND TRUST. I AM NOT SURE. THESE ARE BANKS IN IDAHO.

Q. ARE THESE JOINT ACCOUNTS, SIR?

A. I DON'T KNOW.

Q YOU DON'T KNOW THAT?

A. I DON'T KNOW THAT. ARE YOU SAYING NOW? WELL, I DON'T REALLY KNOW. NO.

Q. HOW ABOUT, HAVE ANY BANK ACCOUNTS CHANGED FROM JOINT TO SEPARATE, AS A RESULT OF THIS AGREEMENT?

A. I DON'T KNOW THE ANSWER TO THAT.

Q. WOULD YOU BE SURPRISED IF THE ANSWER WERE NO?

A. I DON'T KNOW WHETHER I WOULD BE SURPRISED OR NOT. I HAVE TESTIFIED THAT I DON'T KNOW THE FINANCIAL AFFAIRS OF THE HANSENS.

Q. YOU TESTIFIED WHAT?

A. THAT I DON'T FOLLOW THE IMMEDIATE FINANCIAL AFFAIRS OF THE HANSENS.

Q. WELL, CERTAINLY, YOU KNOW A GREAT DEAL ABOUT THE FINANCIAL AFFAIRS OF THE HANSENS?

A. NO, NOT AS TO WHICH BANK ACCOUNTS THEY HAVE SPECIFICALLY AND WHAT THE NUMBERS ARE, AND WHICH BANKS THEY ARE, NO. THROUGH THE YEARS, NO.

Q. THEY HAVE SEVERAL ACCOUNTS, DON'T THEY, SIR?

A. YES, I UNDERSTAND THEY DO.

Q. AND YOU KNOW THEY ARE ALL JOINT?

A. I DON'T KNOW THAT.

Q. AND THE ACCOUNTS DID NOT CHANGE THAT AS A RESULT OF THAT?

A. YOU ARE TELLING ME THAT; I DON'T KNOW.

Q. YOU DO NOT KNOW THAT?

A. NO.

Q. DO YOU KNOW WHETHER OR NOT THE HANSENS PURCHASED HOMES SUBSEQUENT TO THE EFFECTIVE DATE OF THIS AGREEMENT?

A. I BELIEVE THAT THEY SOLD THEIR OLD HOME IN NORTH VIRGINIA, AND I THINK THEY WERE IN A CONDOMINIUM FOR A SHORT TIME AND NOW THEY ARE IN THAT PRESENT HOME. I AM NOT SURE ABOUT THAT BUT I BELIEVE THAT TO BE THE CASE.

Q. ALL RIGHT. THE CONDOMINIUM, DID YOU HAVE ANYTHING TO DO WITH IT AS A LAWYER?

A. NO.

Q. DO YOU KNOW WHOSE NAME THAT CONDOMINIUM WAS BOUGHT IN?

A. NO, THAT WAS BACK HERE, COUNSEL, AND I BELIEVE THEIR AFFAIRS BACK HERE WERE HANDLE BY OTHER COUNSEL.

Q. THEY BOUGHJT ANOTHER HOME IN ARLINGTON, DID THEY NOT, THE HOME THEY LIVE IN NOW?

A. WELL, THEY BOUGHT IT. YES.

Q. AND THEY BOUGHT IT AFTER THIS SEPARATION AGREEMENT?

A. YES.

Q. AND IN WHOSE NAME IS TITLE IN THAT ONE, SIR?

A. I DON'T KNOW THE ANSWER.

Q. YOU HAD NOTHING TO DO WITH THAT?

A. I DID NOT HANDLE THAT TRANSACTION, NO.

Q. AND DO THEY HAVE A HOME IN IDAHO?

A. I BELIEVE THEY DO, IN POCATELLO, I AM NOT SURE ABOUT THAT.

Q. DID YOU HAVE ANYTHING TO DO WITH ANY TRANSACTION RELATING THAT HOME, SIR?

A. NO.

Q. AND I SUPPOSE BY YOUR ANSWER YOU DON'T KNOW WHOSE NAME THAT HOUSE IS IN?

A. YOU ARE CORRECT.

Q. NOW, PARAGRAPH 14 OF THE SEPARATION AGREEMENT SAYS IT IS FURTHER AGREED THAT ANY AND ALL PROPERTY ACQUIRED FROM AND AFTER THE EFFECTIVE DATE OF THIS AGREEMENT, SHALL BE THE SOLE AND SEPARATE PROPERTY OF THE ONE SO ACQUIRING THE SAME. SIR, IF I REPRESENT TO YOU THAT THOSE 3 HOMES THAT WE HAVE TALKED ABOUT WERE PURCHASED AFTER THE PROPERTY SEPARATION AGREEMENT, IN BOTH NAMES, WOULD THAT VIOLATE NUMBER 14 IN YOUR GREEMENT?

A. NO, IT WOULD NOT.

Q. AND IT WOULD BE CONSISTENT WITH THIS SOLEMN SEPARATION OF PROPERTY THAT IS REPRESENTED BY YOUR DOCUMENT?

A. THE SOLEMN SEPARATION OF THE PROPERTY IS TO DISPENSE

WITH THE MARITAL RIGHTS, AND WHAT FOLLOWS. TWO PEOPLE WHETHER THEY ARE MARRIED OR NOT, CAN JOINTLY PURCHASE A HOUSE.

THEY CAN JOINT VENTURE ANY PARTICULAR FINANCIAL PROJECT THEY WISH. WHAT IS THE SOLEMNITY OF TJOS AGREEMENT IS INTACT, BECAUSE IT WAS A VERY SERIOUS STEP THAT THE HANSENS TOOK. YOU KEEP SAYING SOLEMN; IT WAS SOLEMN.

Q. WELL, SIR, IF, IN FACT, EVERY TRANSACTION THAT FOLLOWED THIS SEPARATION AGREEMENT WAS A JOINT TRANSACTION, WOULD IT NOT LEND WEIGHT TO THE CONCLUSION THAT THIS DOCUMENT REPRESENTS ONLY AN EFFORT TO GET AROUND THE HOUSE RULES?

A. NOT AT ALL.

Q. HOW ABOUT CARS, SIR, DO YOU KNOW ANYTHING ABOUT THE HANSENS' CARS?

A. AT THE PRESENT TIME?

Q. AT ANY TIME?

A. WELL, I RECALL REVIEWING WHICH CARS THEY HAD AT THE TIME THE PROPERTY SETTLEMENT AGREEMENT WAS SIGNED. YOU WILL FIND THAT ON PAGE FOUR OF THE AGREEMENT. THERE ARE FOUR CARS LISTED THERE.

Q. AND WHO GETS THE CARS, SIR?

A. AND I BELIEVE THOSE ARE AWARDED TO MRS. HANSEN.

Q. AND TO YOUR KNOWLEDGE, WAS TITLE TRANSFERRED TO MRS. HANSEN, SIR?

A. I DON'T KNOW.

Q. YOU DON'T KNOW?

A. NO.

Q. YOU WERE NEVER INTERESTED IN FOLLOWING THROUGH TO FIND OUT WHETHER OR NOT TITLE WAS TRANSFERRED TO MRS. HANSEN?

A. I AM NOT SURE THAT THE TITLE, IF YOU MEAN THE TITLE DOCUMENTS WERE CHANGED?

Q. YES, OWNERSHIP, SIR. OWNERSHIP TRANSFERRED, FROM JOINT OWNERSHIP TO MRS. HANSEN, PURSUANT TO THIS AGREEMENT?

A. THE OWNERSHIP WAS NOT IN JOINT OWNERSHIP TO BEGIN WITH, IT WAS IN COMMUNITY PROPERTY OWNERSHIP, AND IT COULD BE. LET ME FINISH. IT COULD BE THAT THE TITLES ALREADY PERHAPS WERE IN MR. OR MRS. HANSENS' NAME. I DON'T KNOW, AND IF THAT WAS THE CASE, THE TITLES THEN WERE ALL RIGHT.

Q. ALL RIGHT. IF MR. HANSEN USED THE CARS THAT HAD BEEN TRANSFERRED TO HIS WIFE AS COLLATERAL FOR PERSONAL LOANS TO HIM, WOULD THAT BE CONSISTENT WITH THIS AGREEMENT, SIR?

A. AGAIN, THE PARTIES HAVE SEPARATED THEIR RIGHTS DERIVED FROM THEIR MARITAL STATUS. WHAT THEY DO WITH THEIR ASSETS BEYOND THAT IS THE SAME AS ANY TWO PEOPLE WHO ARE NOT MARRIED. THEY CAN DO WHAT THEY WANT TO DO. BUT THEY HAVE -- GO AHEAD.

Q MR. RUNFT, NUMBER 17 HAS TO DO WITH LIABILITIES, DOES IT NOT? DOES PARAGRAPH 17 NOT INCLUDE THE REPRESENTATION THAT-- EXCUSE ME -- SECOND LINE FROM THE BOTTOM, ". . . EACH AGREES THAT HE OR SHE WILL NOT INCUR ANY LIABILITY ON BEHALF OF THE OTHER.. . " DOES IT SO STATE, SIR?

A. THAT IS PART OF THE SENTENCE. ". . . RECOGNIZING THAT

THE PROPERTY HEREIN AWARDED TO THE OTHER IS THE SOLE AND SEPARATE PROPERTY OF THE PARTY TO WHOM SO AWARDED." I BELIEVE IT DOES STATE THAT.

THE PURPOSE THERE IS THAT EACH, THAT EACH SPOUSE HAS NO MORE RIGHT TO GO OUT UNILATERALLY WITHOUT THE CONSENT OF THE OTHER SPOUSE AND INCUR LIABILITY ON BEHALF OF THE OTHER ANY MORE THAN I WOULD ON BEHALF OF YOU WITHOUT YOUR CONSENT.

Q. MR. RUNFT, ARE YOU AWARE OF ANY LIABILITY THAT HAVE BEEN INCURRED BY THE HANSENS SUBSEQUENT TO THE EFFECTIVE DATE OF THIS AGREEMENT?

A. YOU MEAN BY BOTH OF THE HANSENS?

Q. YES.

A. AGAIN, I HAVE NOT SEEN THE DOCUMENTS. I BELIEVE THEY HAD INCURRED, HAVE ACQUIRED SOME PROPERTY.

Q. AND THEY HAVE INCURRED SOME LOANS AND LIABILITIES?

A. I BELIEVE THAT TO BE THE CASE.

Q. AND WHAT ROLE HAVE YOU PLAYED IN THAT, SIR?

A. I PLAYED NO ROLE IN THAT.

Q. HAVE YOU EVER PREPARED A FINANCIAL STATEMENT FOR THEM?

A. I WAS INVOLVED WITH THEIR ACCOUNTANT IN PREPARING THE FINANCIAL STATEMENT BASED ON THE FINANCIAL INFORMATION IN JUNE, JUNE 21, I BELIEVE, OF 1977.

Q. WOULD IT BE THIS FINANCIAL STATEMENT, I MEAN THE NUMBERS REPRESENTED IN HERE, OR WOULD IT BE A PRIVATE FINANCIAL STATEMENT THAT CONGRESSMAN HANSEN MIGHT TAKE TO A BANK?

A. IT WOULD BE THE FINANCIAL STATEMENT UNDERLYING THE DOCUMENT YOU HAVE THERE.

Q. HAVE YOU EVER SEEN A PERSONAL FINANCIAL STATEMENT OF THE CONGRESSMAN?

A. I BELIEVE I HAVE.

Q. AND IN WHAT REGARD, WHAT CONTEXT?

A. THROUGH THE YEARS, IN REPRESENTING HIM, I AM SURE I HAVE FROM TIME TO TIME.

MR. WEINGARTEN: GOVERNMENT'S 65.

THE DEPUTY CLERK: GOVERNMENT EXHIBIT 65 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED FOR IDENTIFICATION GOVERNMENT'S EXHIBIT NO.65.)

BY MR. WEINGARTEN:

Q. MR. RUNFT, I HAND YOU GOVERNMENT'S EXHIBIT 65, IS THIS MR. HANSEN'S FINANCIAL STATEMENT, SIR?

A. WELL, OFFHAND, I DON'T RECALL THIS AT ALL. THE WRITING ON IT IS RATHER BOLD, AND I DON'T RECALL. IT IS NOT TYPEWRITTEN, AND I DON'T HAVE A PRESENT RECOLLECTION OF EVER SEEING IT.

Q. WELL, WHAT WAS THE FORM OF THE FINANCIAL STATEMENTS THAT YOU HAVE SEEN?

A. I STATED GENERALLY THAT I PROBABLY HAVE SEEN SOME FINANCIAL STATEMENTS, COUNSEL. I DON'T REALLY HAVE A PRESENT

RECOLLECTION OF SEEING ONE.

Q. WELL, IN THOSE FINANCIAL STATEMENTS?

A. A SPECIFIC ONE.

Q. IN THOSE FINANCIAL STATEMENTS, ARE THEY GEORGE HANSEN OR GEORGE AND CONNIE HANSEN, THE ONES YOU HAVE SEEN?

A. WELL, THE ONES I GUESS I RECALL, WERE FOR MOST PART RELATED TO THE PROPERTY SETTLEMENT AGREEMENT, AND PRIOR TO THAT TIME, AND THOSE WERE JOINT FINANCIAL STATEMENTS, AND I RIGHT NOW IN MY MIND, I FRANKLY CAN'T SEPARATE THAT OUT. IT HAS BEEN NUMBER OF YEARS. YOU WILL HAVE TO ASK MR. HANSEN THAT QUESTION.

Q. O. K.. THANK YOU.

NOW, SIR, WE ARE TALKING ABOUT LIABILITIES. ARE YOU AWARE OF ANY LIABILITIES THAT HAVE BEEN INCURRED BY BOTH CONNIE AND GEORGE HANSEN JOINTLY SINCE THIS PROPERTY SEPARATION AGREEMENT?

A. ALTHOUGH I DID NOT HANDLE THE TRANSACTION, I BELIEVE, AND I COULD BE WRONG ON THIS -- YOU SAY AM I AWARE, AND AWARENESS MEANS WHETHER I KNOW IT SPECIFICALLY OR NOT -- AND POSSIBLY THE PRESENT HOUSE THEY HAVE HERE IN NORTHERN VIRGINIA, MIGHT BE JOINTLY OWNED BY THEM, POSSIBLY. I HAVE NOT SEEN THE DOCUMENTS ON THAT.

Q. ISN'T IT TRUE THAT THEY ARE JOINTLY OWNED AND THERE ARE SOME MORTGAGES ATTACHED TO THAT PURCHASE?

A. IT COULD BE, YOU HAVE TO ASK MR. HANSEN THAT.

Q. AND ARE THOSE MORTGAGES JOINT?

A. I HAVEN'T THEM SEEN THEM.

Q. AND YOU DON'T KNOW ANYTHING ABOUT MORTGAGE LOANS, LIABILITIES, THAT HAVE BEEN INCURRED BY THE HANSENS SUBSEQUENT TO THIS DOCUMENT?

A. NOT IN DETAIL. I AM AWARE OF THINGS OF A GENERAL NATURE AS I HAVE TESTIFIED TO BUT I HAVE NOT HANDLED THOSE MATTER BACK HERE IN VIRGINIA.

Q. GENERALLY SPEAKING, IS IT NOT TRUE, SIR, THAT THERE HAVE BEEN MANY LIABILITIES INCURRED SINCE THIS DOCUMENT WAS EFFECTIVE, AND THOSE LIABILITIES ARE JOINT?

A. THERE HAVE BEEN SOME JOINT LIABILITIES. I BELIEVE THERE HAVE BEEN SOME JOINT LIABILITIES ACQUIRED. AGAIN, I DID NOT SUPERVISE THE LIAIBILITIES, OR THE DOCUMENTS RELATED TO THEM.

Q. ALL RIGHT. THE QUITCLAIM DEED. DO YOU HAVE THOSE, SIR?

A. I HAVE 3 QUITCLAIM DEEDS.

Q. WOULD YOU EXPLAIN THE PROPERTY ON THREE QUITCLAIM DEEDS?.

MR. LEWIN: THE CLERK ADVISED ME AT THE RECESS THE RECORD DIDN'T SHOW THAT THESE ARE IN EVIDENCE. I HAD OFFERED THEM.

THE COURT: I AM QUITE SURE YOU OFFERED THEM AND THERE IS NO OBJECTION.

MR. LEWIN: BUT THE CLERK ADVISED ME.

THE COURT: WE WILL CERTAINLY RECTIFY THAT. THANK YOU, MR. LEWIN.

(WHEREUPON, DEFENDANT'S EXHIBITS 75, 76, AND 77 WERE RECEIVED INTO EVIDENCE.)

THE WITNESS: I HAVE BEFORE ME 75, 76, AND 77.

BY MR. WEINGARTEN:

Q. WHAT PROPERTY WAS DESCRIBED THEREON?

A. IN EXHIBIT 75, A PROPERTY LOCATED IN ARLINGTON, VIRGINIA, IS DESCRIBED. ON EXHIBIT 76 --

Q. DO YOU KNOW, SIR, IS THAT THE HOUSE THAT THE HANSENS USED TO LIVE IN THAT WAS SOLD IN' 79. IS THAT WHAT YOU HAVE IN YOUR HAND THERE?

A. THIS IS THE HOUSE THEY LIVED IN AT THE TIME THE PROPERTY SETTLEMENT AGREEMENT WAS EXECUTED. I DID NOT KNOW IT WAS SOLD IN' 79 OR ANYTHING ELSE ABOUT IT. I BELIEVE IT WAS SOLD, BUT I DON'T KNOW WHAT YEAR.

Q. O. K.. EXHIBIT 76?

A. EXHIBIT 76 IS A REAL PROPERTY LOCATED -- I AM SORRY. I HAVE MISSTATEED MYSELF. EXHIBIT 75. WHAT I DID WAS READ MRS. HANSEN'S ADDRESS ON IT. EXHIBIT 75 REFERS TO REAL PROPERTY LOCATED IN BANNOCK COUNTY, IDAHO, LOCATED ON MAIN STREET IN POCATELLO, IDAHO, AND THAT IS WHAT WE REFERRED TO AS THE KOPY KAT PROPERTY. IT IS A BUSINESS PROPERTY THAT THE HANSENS OWN. THAT IS EXHIBIT 75.

Q. THAT IS A COPYING BUSINESS THEY HAVE IN POCATELLO?

A. IT IS A COPYING AND RETAIL OUTLET, A SMALL BUSINESS THEY HAVE THERE. AND THAT PARTICULAR PROPERTY I DO KNOW ABOUT THE TRANSACTION ON THAT MATTER.

Q. WELL, JUST SO WE GET ALL 3. IS IT FAIR TO SAY ONE IS A PIECE OF PROPERTY IN ARKANSAS AND ONE IS THEIR OLD HOME IN ARLINGTON?

A. EXHIBIT 75 IS THE PROPERTY IN POCATELLO, IDAHO, AND EXHIBIT 76 IS THE ARKANSAS PROPERTY, AND EXHIBIT 77 IS THE ARLINGTON, VIRGINIA, PROPERTY WHICH WAS THEIR RESIDENCE AT THE TIME THE AGREEMENT WAS SIGNED.

Q. AND TELL THE JURY, AGAIN, WHAT QUITCLAIM MEANS?

A. WELL, A QUITCLAIM DEED IS A DEED TRANSFERRING, AND QUITCLAIMING. THAT MEANS RELEASING ALL CLAIMS. TRANSFERRING ALL RIGHT, TITLE AND INTEREST OVER TO ANOTHER PARTY.

Q. AND IF CONGRESSMAN HANSEN WAS PUTTING THAT PROPERTY ON A FINANCIAL DISCLOSURE STATEMENT AS REPRESENTED AS HIS PROPERTY TO GET LOANS, WOULD THAT BE CONSISTENT WITH A QUITCLAIM DEED IF HE WAS DOING IT AFTER SEPTEMBER 1977?

A. IT WOULD IF MRS. HANSEN ALLOWED HIM TO DO IT.

Q. IF THE ARLINGTON HOUSE WAS SOLD, IN 1979, AND HE USED THE PROCEEDS TO PAY OFF A PERSONAL LOAN OF HIS, WOULD THAT BE CONSISTENT WITH THE QUITCLAIM DEED, SIR?

A. I GUESS, AGAIN, IT DEPENDS ON WHAT THE PARTIES WANTED TO DO, SIR.

Q. SO THE QUITCLAIM DEED CAN BE TOTALLY IGNORED?

A. NO. WHAT YOU DO WITH THE PROCEEDS OF A SALE IS DIFFERENT THAN WHAT YOU DO WITH THE TRANSFER OF THE ASSET. THAT IS CLEAR.

Q. DO YOU KNOW WHETHER OR NOT TITLE WAS EVER TRANSFERRED, SIR, ON THOSE PROPERTIES? TITLE FOR THE WORLD TO SEE?

A. TITLE WAS TRANSFERRED. I DON'T BELIEVE THAT THE DEEDS WERE RECORDED BUT UNDER THE LAW, TITLE IS TRANSFERRED UPON EXECUTION OF AND DELIVERY OF THE DEED.

Q. IF WE SAW THE TITLE OF THAT ARLINGTON PROPERTY, FOLLOWING YOUR QUITCLAIM DEED -- AND GEORGE HANSEN'S NAME WAS ON THAT TITLE, WOULD YOU BE SURPRISED, SIR?

Q. IF WE SAW A TITLE? YOU MEAN TITLE REPORT?

Q. YES.

A. IF THE QUITCLAIM DEED WERE NOT RECORDED AT RECORD, I ASSUME THAT TITLE REPORT WOULD SHOW THE OWNER, WHOEVER IT WAS PRIOR TO THE EXECUTION OF THE QUITCLAIM DEED, YES.

Q. YOU KNOW, SIR, THAT THAT ARLINGTON HOUSE WAS EVENTUALLY SOLD AND THE HANSENS MOVED INTO ANOTHER HOUSE, DID THEY NOT?

A. I BELIEVE THAT TO BE TRUE, YES.

Q. WERE YOU INVOLVED IN THAT SALE, SIR?

A. I HAVE STATED BEFORE AND I'LL STATE AGAIN I WAS NOT INVOLVED IN THAT SALE.

Q. SO, YOU HAVE NEVER SEEN THE DOCUMENTS?

A. NO.

Q. NOW, THIS PROPERTY SETTLEMENT AGREEMENT PURPORTS TO GIVE CERTAIN LOANS TO GEORGE HANSEN, AND CERTAIN LOANS TO MRS. HANSEN, IS THAT CORRECT?

A. IT TRANSFERS CERTAIN DEBTS. YES.

Q. AND IT SEEMS THAT CONGRESSMAN HANSEN GETS ALL THE MORTGAGES, ALL THE LOANS FROM BANKS, ALL THE LOANS FROM CARS. ALL CHARGES FROM CREDIT CARDS, THE LAWYERS' FEES.

ARE THOSE FEES TO YOU, SIR?

A. I DON'T KNOW.

Q. I SHOW YOU --

A. I DON'T KNOW WHAT YOU ARE REFERRING TO.

Q. I SHOW YOU DEFENDANT'S EXHIBIT 73, IS THIS FIRM, RUNFT & LONGETEIG, YOUR FIRM?

A. YES.

Q. AND WHAT ARE THE ATTORNEYS' FEES INDICATED ON THERE?

A. $4,137.41.

Q. WAS THAT PAID TO YOUR LAW FIRM?

A. I BELIEVE THAT WAS TO OUR LAW FIRM, YES.

Q. ARE THERE ANY OTHER LAWYERS' FEES IN THIS ENTIRE DOCUMENT?

A. I SAID I BELIEVE THE LAWYERS' FEES WERE TO OUR FIRM. IT IS POSSIBLE THAT SOME MAY BE OWED TO ANOTHER FIRM. I WOULD HAVE TO GO OVER THE DOCUMENTS.

THE COURT: HOLD IT A MOMENT, WHILE WE CHANGE REPORTERS.

THE COURT: ALL RIGHT.

BY MR. WEINGARTEN:

Q NOW, MR. RUNFT, IN THIS ENTIRE DOCUMENT, ARE THERE ANY OTHER LAWYER'S FEES REPRESENTED OTHER THAN THE $4,999 THAT WE SEE ON PAGE 5?

A I'M NOT SURE. THE REASON I'M NOT SURE IS THAT I WOULD HAVE TO GO BACK AND LOOK AT THE UNDERLYING ACCOUNTING AS TO WHETHER SOME OF THE DEBTS OWED WERE ATTORNEY'S FEES, AND I DON'T HAVE THOSE MATERIALS HERE. I DON'T RECALL THEM OUT OF HAND.

Q ALL RIGHT. LET'S GET RIGHT TO THAT POINT. IS IT FAIR TO SAY THAT IF YOU ADDED UP ALL THE LIABILITIES THAT ARE REPRESENTED TO BE OWED BY CONGRESSMAN HANSEN -- HOW MUCH WOULD IT BE? DO YOU KNOW, SIR?

A NOT OFFHAND, NO.

Q WOULD IT BE ABOUT THE SAME AS THAT FIGURE REPRESENTED IN 5-B, $372,750, THAT IS REPRESENTED TO BE THE PERSONAL LOANS TO CONNIE HANSEN?

A YOUR QUESTION AGAIN WAS IF WHAT?

Q ARE THE NUMBERS THE SAME? ARE THEY APPROXIMATELY THE SAME?

A THE SETTLEMENT WAS -- IN ORDER TO BE EQUITABLE, THE SETTLEMENT WAS TO GIVE A LIKE EQUITY POSITION TO EACH PARTY SO THAT EACH PARTY WOULD COME OUT WITH, BASED ON THE ACCOUNTING, THE SAME ASSET AND DEBT RATIO. NOW, THE NUMBERS

MAY NOT BE EXACTLY THE SAME, BECAUSE ONE PARTY -- I BELIEVE ONE PARTY RECEIVED MORE ASSETS AND MORE DEBTS AND THE OTHER PARTY RECEIVED LESS ASSETS AND LESS DEBTS. THE MAIN THING WAS THAT THE EQUITY RATIO WAS THE SAME.

Q WHAT IS THE ANSWER TO THIS: ALL THE DEBTS OWED BY CONGRESSMAN HANSEN ARE LISTED WITH PRECISION IN THIS DOCUMENT. ONLY TWO DEBTS ARE LISTED FOR CONNIE HANSEN: ONE, $50,000 TO THE FIRST NATIONAL BANK OF DALLAS, AND TWO, PERSONAL LOANS IN THE SUM OF $372,750.

WHAT WAS YOUR PURPOSE THERE, SIR?

A I DON'T HAVE THE FIGURES FROM THE ACCOUNTING BEFORE ME. BUT AT THE TIME, THE OBJECT WAS TO ARRIVE AT AN EQUITABLE SETTLEMENT BETWEEN BOTH PARTIES, WHEREBY EACH PARTY WOULD COME OUT THE SAME.

Q WHY DIDN'T YOU LIST THE DEBTS OF CONNIE HANSEN IN PARAGRAPH NO. 5 THE WAY YOU LISTED THE DEBTS OF GEORGE HANSEN IN PARAGRAPH NO. 4?

A THEY WERE LISTED IN THE ACCOUNTING, AND THIS WAS A TOTAL REACHED.

Q WELL, HOW COME THEY ARE NOT LISTED IN THIS DOCUMENT, SIR?

A IT WAS MUCH SIMPLER TO PUT A SINGLE FIGURE IN.

Q WELL, WHY WASN'T IT MUCH SIMPLER TO PUT IN A SINGLE FIGURE FOR GEORGE HANSEN?

A THE DEBTS WERE -- GEORGE, SOME OF THEM CONCERNED

MORTGAGES AND REQUIRED SPECIFIC REFERENCE.

Q MAYBE I CAN SIMPLIFY THIS, MR. RUNFT. WHAT MAKES UP, WHAT CONSTITUTES, WHAT ARE THE DEBTS THAT AMOUNT TO $372,750?

A PERSONAL LOANS.

Q TO WHOM?

A COUNSEL, I WOULD HAVE TO GO BACK AND LOOK AT THE UNDERLYING DOCUMENTS. I DON'T HAVE THEM HERE.

Q DID YOU BRING THOSE DOCUMENTS, SIR?

A I DID NOT.

Q WERE THOSE DOCUMENTS PROVIDED TO DEFENSE COUNSEL?

A NO, THEY WERE NOT.

Q WELL, NAME ONE PERSON, SIR. AND I PRESUME THAT MRS. HANSEN MUST PAY INTEREST ON THESE DEBTS, AND THAT INTEREST WOULD BE FOUND ON HER TAX RETURN. NAME ONE PERSON, MR. RUNFT.

A I WOULD HAVE TO GO BACK AND LOOK AT THE LIST, COUNSEL.

Q YOU CAN'T REMEMBER, RIGHT?

A COUNSEL, IT HAS BEEN SEVEN YEARS AGO. THEY WERE FRIENDS OF THE HANSENS, THEY WERE PEOPLE --

Q DID YOU EVER SEE A PIECE OF PAPER THAT REFLECTED SUCH A DEBT, MR. RUNFT?

A I SAW THE LIST. COUNSEL, I SAID I SAW THE ACCOUNTING, I SAW IT SEVEN YEARS AGO WHEN I PREPARED THIS DOCUMENT.

I DO NOT HAVE A PRESENT RECOLLECTION OF THE AMOUNTS, THE PEOPLE INVOLVED.

Q AND ISN'T IT INTERESTING THAT THE ONLY LOAN LISTED UNDER CONNIE HANSEN IS THE $50,000 DEBT TO DALLAS NATIONAL BANK? THAT ONE'S LISTED. THAT ONE'S LISTED WITH SPECIFICITY, IS IT NOT, MR. RUNFT?

A IT IS.

Q BUT NOTHING ELSE IS. AND WE ARE TO RELY ON YOUR WORD THAT THOSE DEBTS EXIST.

MR. RUNFT, YOU TESTIFIED THAT YOU PROVIDED SOME LEGAL OPINIONS AS TO THE EFFECT OF THE ETHICS IN GOVERNMENT ACT; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND OF COURSE, THE ACT PASSED IN 1978, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND PRIOR TO THAT, DISCLOSURE WAS REQUIRED OF CONGRESSMEN, BUT NOT BY LEGISLATIVE ACT, BUT BY RULE. IS THAT CORRECT?

A THAT'S CORRECT.

Q AND THE FINANCIAL DISCLOSURE REQUIREMENTS CHANGED SUBSTANTIALLY WHEN THIS ACT WAS PASSED; IS THAT CORRECT?

A THEY CHANGED, YES.

Q AND THE ACT WAS ACCOMPANIED BY A BUNCH OF FANFARE, A BUNCH OF PUBLICITY, A BUNCH OF DISCUSSION. IT WAS AN

IMPORTANT THING FOR CONGRESS, WAS IT NOT, SIR?

A I BELIEVE IT'S IMPORTANT, LIKE ALL ACTS ARE, YES.

Q AND THIS ACT WAS CALLED THE ETHICS IN GOVERNMENT ACT, WAS IT NOT?

A THAT'S CORRECT.

Q AND IT WAS A RESULT OF THE FUROR AROUSED DURING THE WATERGATE EPISODE; IS THAT NOT CORRECT?

A I BELIEVE THAT TO BE THE CAUSE OF IT, YES.

Q AND THE PURPOSE OF THE ACT WAS TO PRESERVE AND PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY OF FEDERAL OFFICIALS THROUGH FINANCIAL DISCLOSURE. IS THAT NOT ONE OF THE PURPOSES OF THE ACT, SIR?

A THAT IS ONE OF THE PURPOSES.

Q NOW, OF COURSE, THERE WAS FINANCIAL DISCLOSURE REQUIRED UNDER THE OLD LAW, WAS THERE NOT?

A THAT'S CORRECT, TOO.

Q AND YOU HAVE REFERRED TO AN OPINION, AN ETHICS OPINION IN THE OLD RULE, OR AN ADVISORY OPINION THAT REFLECTED THE REQUIREMENTS UNDER THE OLD RULE, DID YOU NOT?

A YES.

Q 44, IN THAT DEFENSE EXHIBIT?

A NO, THAT'S RULE 44, ADVISORY OPINION 12, I BELIEVE.

Q O.K. SORRY.

DO YOU HAVE THE ETHICS -- DO YOU HAVE THE BOOK?

A THE RED BOOK?

Q YES, SIR. WHY DON'T WE FIND ADVISORY OPINION NO. 12. HAVE YOU FOUND IT, SIR?

A DO YOU HAVE A PAGE NUMBER?

Q MY BOOK'S DIFFERENT.

A WELL, I'M GETTING THERE. JUST A MINUTE.

O.K. ADVISORY OPINION NO. 12. YES, I HAVE IT.

Q ALL RIGHT. AND TOWARDS THE END OF THAT OPINION, THERE ARE SPECIFIC PROVISIONS FOR SPOUSE DISCLOSURE, ARE THERE NOT?

A YES.

Q WHY DON'T YOU READ THEM TO THE JURY?

A "SPOUSE DISCLOSURE. RULE 44 REQUIRES DISCLOSURE OF SPOUSE INTERESTS IF THEY ARE UNDER THE CONSTRUCTIVE CONTROL OF THE REPORTING INDIVIDUAL. THIS REQUIREMENT HAS EXISTED UNDER HOUSE RULE 44 SINCE ITS ORIGINAL ADOPTION IN 1968. AS DEFINED BY THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, THE FINANCIAL INTERESTS OF A SPOUSE ARE REGARDED AS CONSTRUCTIVELY CONTROLLED IF ENHANCEMENT OF THOSE INTERESTS WOULD SUBSTANTIALLY BENEFIT THE PERSON REPORTING. NORMALLY, IN THE ABSENCE OF SPECIFIC PROPERTY DIVISION AGREEMENTS, TRUSTS AND SO ON, THE INTEREST OF SPOUSES WOULD BE CONSTRUCTIVELY CONTROLLED."

Q ALL RIGHT. JUST STOP RIGHT THERE, SIR.

"IF ENHANCEMENT OF THOSE INTERESTS WOULD SUBSTANTIALLY BENEFIT THE PERSON REPORTING." YOU JUST READ THOSE

WORDS, DID YOU NOT?

A YES.

Q SO EVEN BEFORE THE ETHICS IN GOVERNMENT ACT, EVEN BEFORE THE CHANGE IN 1978, IF PROPERTY IN A SPOUSE'S NAME SUBSTANTIALLY BENEFITED THE CONGRESSMAN, HE HAD TO REPORT IT. IS THAT NOT TRUE?

A EXCEPT, IT SAYS, IN THE ABSENCE OF A SPECIFIC PROPERTY DIVISION AGREEMENT, TRUSTS AND SO ON.

Q ALL RIGHT. THE OPINION GOES ON AND SAYS -- AND THIS, OF COURSE, IS BEFORE THE ETHICS IN GOVERNMENT ACT -- AND CONTINUES AND GIVES MORE COUNSEL TO A CONGRESSMAN AS TO WHAT HE HAS TO REQUIRE.

WHY DON'T YOU CONTINUE READING, SIR?

A WHERE?

Q WHERE YOU STOPPED.

A "IN VIEW OF THE MORE DETAILED INFORMATION NOW REQUIRED TO BE DISCLOSED, THE SELECT COMMITTEE BELIEVES THAT CLARIFICATION OF SPOUSE DISCLOSURE REQUIREMENTS IS NECESSARY. ACCORDINGLY, THE FINANCIAL INTERESTS OF A SPOUSE SHOULD BE REPORTED AS FOLLOWS: (1) SOURCE, BUT NOT AMOUNT, OF SPOUSE INCOME EXCEEDING $1,000; (2) GIFTS OR REIMBURSEMENTS TO THE SPOUSE UNLESS RECEIVED INDEPENDENT OF THE RELATIONSHIP TO THE REPORTING INDIVIDUAL; AND (3) ASSETS AND LIABILITIES OF THE SPOUSE UNLESS THE REPORTING INDIVIDUAL INDICATES THAT: (A) HE OR SHE NEITHER DERIVES NOR EXPECTS TO DERIVE ANY

ECONOMIC BENEFIT FROM SUCH INTERESTS, AND (B) SUCH INTERESTS WERE NOT OBTAINED IN ANY WAY FROM THE ASSETS OR ACTIVITIES OF THE REPORTING INDIVIDUAL. THE ASSETS AND LIABILITIES OF THE SPOUSE" --

Q THAT'S -- O.K., FINISH, FINISH. SORRY. EXCUSE ME. FINISH, PLEASE.

A "THE ASSETS AND LIABILITIES OF A SPOUSE MUST BE REPORTED IN THE SAME MANNER AS THOSE OF THE REPORTING INDIVIDUAL. HOWEVER, THE PERSON REPORTING NEED NOT IDENTIFY SUCH ITEMS AS THOSE OF THE SPOUSE. THE FINANCIAL INTERESTS OF A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING INDIVIDUAL NEED NOT BE DISCLOSED."

Q DOES THAT CLARIFICATION NOT MAKE IT CRYSTAL CLEAR THAT EVEN BEFORE THE ETHICS IN GOVERNMENT ACT, A CONGRESSMAN WAS REQUIRED TO DISCLOSE ASSETS IN HIS WIFE'S NAME IF: (A) HE BENEFITED BY THEM, OR (B) HE PARTICIPATED IN THEIR ACQUISITION?

A NO, IT DOES NOT.

Q AND WHY DO YOU SAY THAT, SIR?

A I SAY THAT BECAUSE, AS IT STATES ABOVE, THE EXPRESS EXCEPTION MADE HERE IS IN THE PRESENCE OF A PROPERTY DIVISION AGREEMENT, WHICH WOULD REFER, I THINK, TO A PROPERTY SETTLEMENT AGREEMENT. AND YOU MUST REALIZE --

Q A PROPERTY SEPARATION AGREEMENT IN WHICH NOTHING IS SEPARATED.

A COUNSEL, YOU'VE INTERRUPTED ME.

THE COURT: PLEASE FINISH YOUR STATEMENT.

THE WITNESS: THE APPROACH THAT THE HANSENS MADE TO THE COMMITTEE REGARDING THIS PARTICULAR OPINION, AS I SAID IN MY TESTIMONY, WAS TWO-FOLD. AND BOTH PARTS OF THAT ARE VERY IMPORTANT. ONE IS THAT THEY TOOK THE POSITION THAT THEY ARE GOING TO ENTER INTO -- THEY WERE PLANNING TO ENTER INTO A PROPERTY SETTLEMENT AGREEMENT, AND THAT IS SPECIFICALLY REFERRED TO HERE, (A). AND (B), AND EQUALLY IMPORTANT, BOTH NOW -- BOTH UNDER THESE PARTICULAR PROVISIONS HERE AND UNDER THE ACT, IS THE FACT THAT THE HANSENS TOLD THE COMMITTEE WHAT THEY WERE DOING. AND THE COMMITTEE, BEING SO ADVISED, HAS THE DUTY THEN TO COME BACK AND REFER TO THE HANSENS.

BY MR. WEINGARTEN:

Q ARE YOU SUGGESTING THAT CONGRESSMAN HANSEN HAS BEEN TOTALLY STRAIGHTFORWARD AND ABOVE-BOARD WITH THE ETHICS COMMITTEE?

A I DO.

Q WE'LL GET TO THAT, SIR.

A IN WRITING.

Q WE'LL GET TO THAT.

GOVERNMENT EXHIBIT 3. WHY DON'T I PUT IT HERE. MR. RUNFT, I ASK YOU TO TAKE A LOOK --

THE COURT: I DON'T KNOW IF THE JURY CAN SEE THAT. FROM WHERE YOU ARE LOCATED, LADIES AND GENTLEMEN, YOU HAVE

A LITTLE PROBLEM SEEING IT? RIGHT.

CAN YOU ALL SEE IT BETTER NOW? CAN THE WITNESS SEE IT? WITH CRANING THE NECK A LITTLE, YES.

THE WITNESS: I CAN, YOUR HONOR, YES.

THE COURT: ALL RIGHT. CAN COUNSEL SEE IT?

MR. LEWIN: YES.

THE COURT: FINE.

BY MR. WEINGARTEN:

Q NOW, OF COURSE, YOU HAVE ACKNOWLEDGED, SIR, THAT AN ACT CALLED THE ETHICS IN GOVERNMENT ACT WAS PASSED IN 1978; IS THAT CORRECT?

A YES.

Q AND YOU TESTIFIED THAT YOU STUDIED THAT ACT METICULOUSLY SO THAT YOU COULD APPROPRIATELY COUNSEL CONGRESSMAN AND MRS. HANSEN ON THEIR REPORTING REQUIREMENTS.

A YES, I DID.

Q AND OF COURSE, YOU UNDERSTAND FROM THE ACT THAT LOANS MORE THAN $10,000 THAT ARE NOT HOUSE MORTGAGES MUST BE REPORTED, GENERALLY SPEAKING.

A YOU'VE MADE A STATEMENT.

Q YOU UNDERSTAND THAT TO BE THE CASE.

A YES.

Q AND YOU UNDERSTAND THE COMMODITIES TRANSACTIONS MUST BE REPORTED, GENERALLY SPEAKING. IS THAT CORRECT?

A YES.

Q AND OF COURSE, THERE'S A SPECIFIC RULE FOR THE PROPERTY AND ASSETS IN THE NAME OF A SPOUSE. IS THAT NOT CORRECT?

A COUNSEL, IF WE ARE GOING TO DISCUSS THE ACT, I SUGGEST YOU GET A COPY TO ME SO I CAN FOLLOW ALONG.

Q DON'T YOU HAVE ONE UP THERE?

A WHAT PROVISIONS ARE YOU --

MR. LEWIN: I DON'T KNOW IF THE ACT IS IN THAT BOOK. WE DID PUT A COPY OF THE ACT IN EVIDENCE.

MR. WEINGARTEN: MAYBE IT'S OUR EXHIBIT, RIGHT IN THE BEGINNING.

MR. LEWIN: WE HAVE A COPY HERE. CAN WE GIVE THIS ONE?

MR. WEINGARTEN: SURE.

THE WITNESS: THANK YOU.

NOW, COUNSEL, YOU HAVE REFERRED TO SPECIFIC PROVISIONS?

BY MR. WEINGARTEN:

Q YES. WHAT IS THE RULE FOR SPOUSES?

A WHICH RULE?

Q THE RULE FOR WHAT SPOUSES --

A PERHAPS YOU COULD POINT OUT WHAT YOU ARE REFERRING TO IN THE ACT.

Q WHY DON'T YOU TURN -- WELL, I DON'T KNOW IF YOUR PAGES ARE RIGHT.

A I CAN REFER TO SECTIONS, IF YOU WISH. U.S.C. SECTIONS.

Q HOW ABOUT 102 --

A 102?

Q (D) --

MR. LEWIN: I THINK THE COPY THE WITNESS HAS IS OF 2 U.S.C., SO --

THE WITNESS: I'M REFERRING TO THE U. S. CODE.

BY MR. WEINGARTEN:

Q ALL RIGHT. THAT PART, (D).

MR. RUNFT, WHY DON'T YOU TAKE A LOOK FIRST AT WHAT YOU ARE READING AND THEN COMPARE IT WITH THE STANDARDS FOR EXEMPTION THAT ARE ON GOVERNMENT EXHIBIT 3 THAT HAS ALREADY BEEN MOVED INTO EVIDENCE.

A WHAT DO YOU WANT ME TO READ, COUNSEL?

Q THE REQUIREMENTS FOR EXEMPTION FOR SPOUSES. WHEN CAN A CONGRESSMAN NOT REPORT HIS SPOUSE'S PROPERTY?

A SECTION 702(D)(2) --

Q AND WHY DON'T YOU CHECK IT AGAINST THE STANDARD FOR EXEMPTION ON THE BOARD.

WHY DON'T WE ASK IT THIS WAY, MR. RUNFT --

A THESE ARE TOTALLY DIFFERENT SECTIONS. SECTION 702(D)(2) SAYS, "NO REPORT SHALL BE REQUIRED WITH RESPECT TO A SPOUSE LIVING SEPARATE AND PART FROM THE REPORTING INDIVIDUAL," AND SO ON.

Q MR. RUNFT, YOU TESTIFIED IN YOUR DIRECT EXAMINATION THAT YOU KNOW THIS ACT, IS THAT NOT TRUE?

A I HAVE STUDIED THIS ACT. I GENERALLY --

Q IS IT NOT THE CASE THAT IF A CONGRESSMAN IS GOING TO EXEMPT PROPERTY, NOT REPORT PROPERTY IN HIS WIFE'S NAME, HE HAS TO MEET THREE TESTS?

A UNLESS THE REPORT, SECTION -- I BELIEVE AN EXCEPTION TO WHAT YOU ARE SAYING IS TO BE FOUND IN U. S. C. SECTION 702(D)(2).

Q AND WHAT DOES THAT SAY?

A THAT SAYS, "NO REPORT SHALL BE REQUIRED WITH RESPECT TO A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING INDIVIDUAL WITH THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION OR WITH RESPECT TO ANY INCOME OR OBLIGATIONS OF AN INDIVIDUAL ARISING FROM THE DISSOLUTION OF HIS MARRIAGE OR THE PERMANENT SEPARATION FROM HIS SPOUSE."

Q DOES THAT APPLY TO CONGRESSMAN HANSEN?

A I BELIEVE IT DOES, BECAUSE I BELIEVE THE PURPOSE OF THIS LEGISLATION IS TO PROVIDE FOR WHATEVER WILL BE AN ECONOMIC SEPARATION. AND THE --

Q LET'S JUST GO THROUGH (2), WHAT YOU ARE REQUIRING ON.

A AND THAT STANDS AS A SELF-SUFFICIENT PROVISION.

Q LET'S GO THROUGH THIS. "NO REPORT SHALL BE REQUIRED

WITH RESPECT TO A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING INDIVIDUAL WITH THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION."

WAS CONGRESSMAN HANSEN LIVING SEPARATE AND APART FROM HIS WIFE?

A NOT LIVING, NO. BUT THEY --

Q DID HE HAVE THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION?

A UNDER IDAHO LAW, THEY WERE MAKING A PERMANENT SEPARATION OF THEIR PROPERTY INTERESTS, WHICH I BELIEVE IS THE INTENT OF THIS STATUTE.

Q THE INTENT OF THIS STATUTE WAS TO CONFORM WITH IDAHO LAW?

A NO, NO, COUNSEL. THE INTENT OF THIS STATUTE IS TO PREVENT THE MIXING OF THE ECONOMIC LIVES. HERE, THE PERMANENT SEPARATION OF THE ECONOMIC LIFE OF THE HANSENS, THAT IS, THEIR RIGHT TO INHERIT, THE RIGHTS THAT ARE AFFORDED UNDER THE COMMUNITY PROPERTY LAW, HAVE BEEN SEPARATED. AND THERE ARE OTHER PROVISIONS IN THIS ACT -- JUST ABOVE, FOR EXAMPLE -- WHICH DO TALK TO SITUATIONS WHERE A WIFE'S INCOME, EVEN THOUGH SHE IS MARRIED AND NOT UNDER IDAHO TYPE LAW, THAT IS, COMMUNITY PROPERTY LAW -- WHEREBY HER INCOME AND THE NATURE OF HER PROFESSION IS SOMEWHAT SEPARATE, SHE GETS A CERTAIN BENEFIT, OR A CERTAIN DIFFERENT REPORTING REQUIREMENT IS REQUIRED.

FOR EXAMPLE, IN SECTION 702(D)(1)(A), WITH RESPECT TO EARNED INCOME, IF A SPOUSE IS SELF-EMPLOYED OR IN BUSINESS OR A PROFESSION, ONLY THE NATURE OF SUCH BUSINESS OR PROFESSION NEED BE REPORTED. NOT THE INCOME. AND I DERIVE FROM THAT THE DIRECTION THAT IT IS NOT THE FACT THEY ARE MARRIED THAT COUNTS HERE. IT IS THE ECONOMIC RELATIONSHIP THAT COUNTS.

Q IT'S THE ECONOMIC RELATIONSHIP THAT COUNTS. IS THAT CORRECT?

A AND THE PARTIES HERE HAVE SEPARATED THEIR ECONOMIC RELATIONSHIP.

Q AND ALL THEIR HOUSES ARE IN JOINT NAMES, ALL THEIR LOANS ARE IN JOINT NAMES, ALL THEIR CARS ARE IN JOINT NAMES, AND ALL THEIR LOANS ARE IN JOINT NAMES, AND THEY HAVE SEPARATED THEIR PROPERTY? IS THAT YOUR TESTIMONY, MR. RUNFT?

A YOU'RE TESTIFYING, COUNSEL; I'M NOT.

Q MR. RUNFT, LET ME ASK YOU A QUESTION. IF IN FACT -- LET'S ASSUME YOU ARE PROVIDING CONGRESSMAN HANSEN WITH LEGAL ADVICE. IF, IN FACT, THE SILVER TRANSACTION TRIGGERED BY NELSON BUNKER HUNT -- IF CONGRESSMAN HANSEN KNEW ABOUT IT, PARTICIPATED IN IT, AND BENEFITED IN IT, AND HE IS LIVING WITH HIS WIFE WITH NO INTENTION OF SEPARATING, ARE YOU SAYING TO THIS JURY THAT HE DIDN'T HAVE TO REPORT IT ON HIS FINANCIAL DISCLOSURE STATEMENT?

A I DON'T KNOW IF THOSE ARE THE FACTS. YOU ARE GIVING ME A HYPOTHETICAL RIGHT NOW?

Q I'M GIVING YOU A HYPOTHETICAL.

A A HYPOTHETICAL THAT MAY OR MAY NOT BE TRUE? O.K. WELL, I -- PUT IT THIS WAY, COUNSEL: THE DIRECTION YOU ARE HEADING LEADS UP TO THE ABSURD RESULT THAT PEOPLE LIVING TOGETHER, EVEN THOUGH THEY HAVE JOINT HOUSES, JOINT CARS -- THAT IS, LIVING TOGETHER WITHOUT THE BENEFIT OF MARRIAGE, HAVING JOINT CARS, JOINT HOUSES, AND SO ON, WOULD BE EXEMPT FROM THIS ACT, WHEREAS PEOPLE WHO HAVE LEGALLY SEPARATED THEIR ECONOMIC INTERESTS BUT REMAIN MARRIED STILL WOULD BE SUBJECT TO THIS ACT. THAT JUST IS -- I CAN'T BUY THAT. THAT'S TOTALLY ABSURD.

Q MR. RUNFT, WHY DON'T YOU ANSWER MY QUESTION. LET'S ASSUME, FOR THE SAKE OF ARGUMENT, THAT YOU ARE PROVIDING LEGAL ADVICE TO CONGRESSMAN HANSEN. AND LET'S TALK ABOUT A SILVER TRANSACTION. LET'S ASSUME A SILVER COMMODITIES TRANSACTION THAT NETTED AN $87,000 PROFIT. LET'S ASSUME THAT CONGRESSMAN HANSEN KNEW ABOUT IT; LET'S SAY HE PARTICIPATED IN IT, AND LET'S SAY HE SPENT THE MONEY. LET'S SAY THAT TRANSACTION WAS IN HIS WIFE'S NAME, AND THEY WERE LIVING TOGETHER. UNDER THE ETHICS IN GOVERNMENT ACT OF 1978, SIR, WOULD HE HAVE HAD TO REPORT THAT?

A WAS THERE A PROPERTY SETTLEMENT AGREEMENT INVOLVED IN YOUR HYPOTHETICAL?

THE COURT: SIR, WOULD YOU ANSWER?

THE WITNESS: I DON'T KNOW.

THE COURT: YOU DON'T KNOW.

MR. WEINGARTEN: I HAVE NO FURTHER QUESTIONS.

THE COURT: REDIRECT.

REDIRECT EXAMINATION

BY MR. LEWIN:

Q IF THERE WAS A PROPERTY SETTLEMENT AGREEMENT IN THAT CASE, MR. RUNFT, AND IN FACT THE SILVER TRANSACTIONS HAD BEEN PURCHASED BY MRS. HANSEN, ISN'T IT A FACT THAT UNDER THE PROPERTY SETTLEMENT AGREEMENT THOSE WOULD NOT BE REPORTABLE?

A THAT IS MY INTERPRETATION. I BELIEVE IT TO BE CORRECT, FOR THE POLICY REASONS I'VE STATED.

Q AND THAT IS THE VIEW THAT YOU EXPRESSED TO THE CONGRESSMAN.

A YES, IT IS.

Q AND YOU WERE ASKED BY MR. WEINGARTEN ABOUT THE PARAGRAPH THAT RELATES TO LIABILITIES, PARAGRAPH 17. ISN'T THAT IN FACT --

A YOU ARE REFERRING TO THE PROPERTY SETTLEMENT AGREEMENT, COUNSEL?

Q YES, I'M SORRY. THE PROPERTY SETTLEMENT AGREEMENT. ISN'T THAT IN FACT A PARAGRAPH THAT SAYS -- STRIKE THAT.

ISN'T IT A FACT THAT IN A COMMUNITY PROPERTY STATE, IF ONE PARTY UNDERTAKES A LIABILITY, THEN THAT LIABILITY IS INCURRED ON BEHALF OF THE OTHER AUTOMATICALLY BY REASON OF

COMMUNITY PROPERTY?

A BY REASON OF THE MARRIAGE AND THE EFFECT ON COMMUNITY PROPERTY, YES.

Q SO DOESN'T REALLY PARAGRAPH 17 SAY THAT "I", EACH ONE OF THOSE PARTIES, "WILL NOT INCUR A LIABILITY FOR THE OTHER"? IN OTHER WORDS, THAT'S NOT SAYING THAT I'M NOT GOING TO INCUR ANY LIABILITY. IT MEANS THAT I WON'T -- THE LIABILITIES I INCUR WILL NOT AUTOMATICALLY BECOME THE LIABILITIES OF THE OTHER PARTY AS PROVIDED UNDER COMMUNITY PROPERTY.

A WELL, I BELIEVE IT GOES FURTHER THAN THAT. I BELIEVE THEY ARE SIMPLY AGREEING HERE THAT EACH WILL NOT INCUR LIABILITY ON BEHALF OF THE OTHER, I PRESUME WITHOUT THE CONSENT OF THE OTHER.

Q BUT IF THE OTHER CONSENTED, THEN THERE COULD BE A JOINT LIABILITY.

A COUNSEL, I HAVE EXPLAINED THIS, AND THE ANSWER IS "YES" TO THAT. THE POINT IS, HERE, THESE PEOPLE HAVE ENTERED INTO A PROPERTY SETTLEMENT AGREEMENT, AND IT HAS THE VERY REAL AND SERIOUS IMPLICATION THAT I HAVE TESTIFIED TO. AND THEY ARE PLACED ECONOMICALLY -- ECONOMICALLY SPEAKING, IN THE SAME POSITION AS TWO PEOPLE SIMPLY LIVING TOGETHER WITHOUT THE BENEFIT OF MARRIAGE. AND I DON'T BELIEVE THAT THIS ACT, THE 1978 ETHICS IN GOVERNMENT ACT, WOULD REQUIRE TWO UNMARRIED PEOPLE LIVING TOGETHER -- WOULD REQUIRE THE

CONGRESSPERSON TO REPORT HIS LIVE-IN -- HIS OR HER LIVE-IN'S INCOME, EVEN THOUGH THOSE PEOPLE MIGHT OWN A CAR TOGETHER, HAVE A JOINT OWNERSHIP IN AN INVESTMENT OR WHATEVER. YOU CAN CARRY THESE EXAMPLES TO SOME REAL EXTREMES, LIKE TWO MEN LIVING TOGETHER OR TWO WOMEN LIVING TOGETHER, OR TWO PARTNERS OR A MOTHER AND A SON.

THE POINT IS, ECONOMIC LIFE OF THESE PEOPLE HAS BEEN SEPARATED, AND THEY ARE LIKE UNMARRIED PEOPLE AS FAR AS THEIR ECONOMIC LIFE IS CONCERNED. AND THAT IS REFLECTED -- THAT ECONOMIC CONCERN -- THROUGHOUT THIS STATUTE, IN GREAT DETAIL.

Q MR. WEINGARTEN ASKED YOU ABOUT THE PROVISION RELATING TO WILLS AND THE WAIVER OF RIGHTS IF THERE IS NOT A WILL THAT SUBSEQUENTLY ENTERED INTO TO REESTABLISH IN SOME WAY THE RIGHTS THAT WOULD BE HAD UNDER COMMUNITY PROPERTY LAW; IS THAT RIGHT?

A YES.

Q THAT'S PARAGRAPH 15.

A YES.

Q DID YOU AT THE TIME OF DRAFTING THIS PROPERTY SETTLEMENT AGREEMENT ALSO DRAFT WILLS WHICH YOU WERE PROPOSING THAT CONGRESSMAN AND MRS. HANSEN COULD SIGN IF THEY WISHED TO OVERRIDE THE EFFECTS OF THE PROPERTY SETTLEMENT AGREEMENT WITH REGARD TO THEIR ESTATES?

A I DID.

MR. LEWIN: AND I WILL MARK FOR IDENTIFICATION AS DEFENDANT'S EXHIBITS 79 AND 80 THE FOLLOWING DOCUMENTS, WHICH I WILL PLACE BEFORE YOU.

(DEFENDANT'S EXHIBITS 79 AND 80
MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q ARE THOSE THE WILLS THAT YOU DRAFTED FOR THEM IN THAT REGARD?

A YES. I RECOGNIZE THEM.

Q AND DID YOU GIVE IT TO THEM? DID YOU GIVE THOSE DOCUMENTS TO THEM?

A YES. I BELIEVE THESE WERE POSSIBLE -- THEY WERE NEVER EXECUTED, COUNSEL, AND I FRANKLY DO NOT RECALL WHETHER THEY WERE EVER REALLY FINAL DRAFTS AGREED TO BY THEM OR NOT, EXHIBIT 79 BEING A PROPOSED LAST WILL AND TESTAMENT OF GEORGE HANSEN AND EXHIBIT 80 BEING A PROPOSED LAST WILL AND TESTAMENT OF CONNIE HANSEN.

Q IN FACT, THEY DID NOT CHOOSE TO EXERCISE THAT OPTION; IS THAT CORRECT?

A THAT'S CORRECT. THEY DID NOT EXECUTE THESE WILLS. NOR ANY WILLS, TO MY KNOWLEDGE.

Q SINCE THAT TIME.

A THAT'S CORRECT.

Q SO THAT THE EFFECT OF THIS SEPARATION AGREEMENT REALLY IS TO DENY EACH OF THEM THE RIGHTS THAT THEY WOULD

OTHERWISE HAVE UNDER COMMUNITY PROPERTY LAW IF EITHER OF THEM SHOULD DIE.

A THAT'S CORRECT.

Q AND THAT WOULD BE THE CONSEQUENCE AS A RESULT OF THE SIGNING OF THE SEPARATION OF PROPERTY AGREEMENT.

A THEY ARE NOT ABLE TO INHERIT FROM EACH OTHER OR RECEIVE ANY AUTOMATIC BENEFIT AS A RESULT OF MARRIAGE. THEY ARE ECONOMICALLY AS TWO UNMARRIED PEOPLE.

THE COURT: COUNSEL, CAN I HAVE YOU UP HERE AT THE BENCH FOR A MOMENT?

(AT THE BENCH)

THE COURT: TIME ESTIMATE. IF IT IS GOING TO BE ANYTHING BEYOND ANOTHER FIVE MINUTES OR SO, I AM GOING TO BREAK.

MR. LEWIN: I'LL BE LESS THAN FIVE MINUTES.

THE COURT: AND, OF COURSE, THERE MAY BE SOME ON THE OTHER SIDE, SO I WANT TO KNOW ABOUT HOW LONG. IT'S 7:00 O'CLOCK.

MR. LEWIN: ONE OR TWO MINUTES, THAT'S ALL.

THE COURT: ALL RIGHT. YOU WILL BE BRIEF AS FAR AS YOU KNOW AT THIS MOMENT? AS OF THIS MINUTE. ALL RIGHT.

(END OF BENCH CONFERENCE)

BY MR. LEWIN:

Q MR. RUNFT, MR. WEINGARTEN ASKED YOU ABOUT THE FIGURE THAT APPEARS UNDER PERSONAL LOANS IN THE SUM OF

$372,750 IN PARAGRAPH 5(B) OF THE SEPARATION AGREEMENT.

A HE ENDED WITH A STATEMENT, NOT A QUESTION, THAT WE WOULD HAVE TO RELY ON MY FIGURE.

Q THAT FIGURE WAS A FIGURE THAT YOU CAME TO FROM ACCOUNTING RECORDS AND OTHERS THAT WERE PRESENTED TO YOU?

A THIS FIGURE WAS VERY CAREFULLY BROUGHT TOGETHER AFTER REFERRING -- CONFERRING WITH THE HANSENS' ACCOUNTANT ON A NUMBER OF OCCASIONS, REVIEWING THE ACTUAL DEBT INSTRUMENTS. THIS WAS SEVEN YEARS AGO. I RECALL A LOT OF WORK WENT INTO THAT, AND IT IS AN ACCURATE AND PROPER FIGURE.

Q IT IS NOT JUST SOMETHING THAT YOU MADE UP OUT OF YOUR HEAD TO BALANCE NUMBERS.

A ABSOLUTELY NOT.

Q ALL RIGHT. AND FINALLY, I WOULD ASK YOU, MR. RUNFT, BOTTOM LINE: APART FROM ALL THE LEGAL ARGUMENTS -- DISCUSSIONS YOU HAVE BEEN HAVING WITH MR. WEINGARTEN IN TERMS OF YOUR ADVICE TO THE CONGRESSMAN AS TO WHETHER HE WAS OBLIGED TO PUT ON AN ETHICS IN GOVERNMENT ACT FORM, AFTER THE SIGNING OF THIS PROPERTY SETTLEMENT AGREEMENT, ANY LIABILITIES THAT MRS. HANSEN HAD INCURRED OR ANY PROCEEDS OR PROFITS OR INCOME THAT MRS. HANSEN HAD HERSELF OBTAINED, WHAT WAS YOUR ADVICE IN THAT REGARD? WAS HE OBLIGED TO REPORT IT ON AN ETHICS IN GOVERNMENT ACT FORM?

A NO, HE WAS NOT.

MR. LEWIN: THANK YOU.

RECROSS EXAMINATION

BY MR. WEINGARTEN:

Q HOW MANY YEARS DID YOU ADVISE CONGRESSMAN HANSEN? JUST THE ONE? OR HAVE YOU ADVISED HIM EACH AND EVERY YEAR UP UNTIL RIGHT NOW?

A OH, I'VE BEEN A CONSTANT ADVISER OF THE CONGRESSMAN ON MANY MATTERS.

Q HOW MANY TIMES HAVE YOU TOLD HIM HE DIDN'T HAVE TO REPORT A PARTICULAR TRANSACTION ON HIS FINANCIAL DISCLOSURE STATEMENT?

A I DON'T KNOW. HE HAS INQUIRED OR HAS ASKED ME ABOUT THE SPOUSAL DISCLOSURE.

Q DID YOU GIVE HIM ANY ADVICE AS TO THE $50,000 DALLAS LOAN?

A WITH REGARD TO PUTTING IT ON A DISCLOSURE FORM?

Q YES.

A I DON'T RECALL.

Q WHAT ABOUT THE --

A YOU ARE REFERRING NOW TO THE LOAN THAT IS IN THE PROPERTY -- THAT IS REFERRED TO IN THE PROPERTY SETTLEMENT AGREEMENT?

Q YES.

A O.K. I DON'T RECALL.

Q WHAT ABOUT THE $87,000 SILVER PROFIT?

A I BELIEVE THAT THAT PARTICULAR MATTER WAS A DEBT OF

MRS. HANSEN'S, AND --

Q PROFIT.

A PARDON ME, A PROFIT OF MRS. HANSEN'S, AND THAT WOULD HAVE BEEN, I PRESUME, INCLUDED IN MY ADVICE TO HIM THAT IN LIGHT OF THE PROPERTY SETTLEMENT AGREEMENT AND THE ADVICE TO THE HOUSE ETHICS COMMITTEE AND THE HOUSE STANDARDS COMMITTEE, THAT HE WOULD NOT HAVE TO, SO LONG AS THE COMMITTEE WAS ADVISED.

Q DID HE TELL YOU THAT HE SPENT THAT MONEY?

A NO.

Q AND DO YOU HAVE A SINGLE PIECE OF PAPER FROM THE HOUSE ETHICS COMMITTEE THAT REPRESENTS, AFTER THE ETHICS IN GOVERNMENT ACT, THAT CONGRESSMAN HANSEN WAS NOT OBLIGED TO REPORT CERTAIN TRANSACTIONS?

A I DO NOT HAVE A SINGLE PIECE OF PAPER, BUT THERE IS OTHER ADVICE.

Q DID YOU GET AN ADVISORY OPINION FROM THE HOUSE ETHICS COMMITTEE PURSUANT TO RULE 702 CONCERNING CONGRESSMAN HANSEN?

A I DO NOT HAVE THAT OPINION YET, NO.

Q IF A HUSBAND DIES INTESTATE IN IDAHO, WHERE DOES HIS PROPERTY GO?

THE COURT: YOU MIGHT EXPLAIN WHAT INTESTATE IS FOR THE JURY.

MR. WEINGARTEN: I'M SORRY.

BY MR. WEINGARTEN:

Q I MEAN IF, HEAVEN FORBID, SOMETHING HAPPENED TO EITHER MR. OR MRS. HANSEN OR TO ANY HUSBAND AND WIFE WHEN THERE IS A PROPERTY SEPARATION AGREEMENT AND THERE IS NO WILL, WHO GETS THEIR PROPERTY?

A THE PROPERTY WOULD GO OUT OR DEVOLVE ACCORDING TO THE INTESTATE SUCCESSION LAW.

Q AND WHAT IS THAT?

A THAT IS THE LAW WHICH DESCRIBES HOW AND WHERE PROPERTY GOES WHEN SOMEBODY DIES WITHOUT A WILL.

Q AND IF A HUSBAND DIES AND A WIFE IS ALIVE, WHERE DOES THE PROPERTY GO?

A THE PROPERTY, IF IT IS A COMMUNITY PROPERTY STATE, THERE IS A COMMUNITY PROPERTY PORTION THAT AUTOMATICALLY GOES TO THE WIFE. APPROXIMATELY ONE-HALF OF THE ASSETS GO TO THE WIFE AS A RESULT OF HER COMMUNITY PROPERTY PORTION. AND THE BALANCE, THEN, IS DIVIDED AMONG THE HEIRS.

Q AND THIS IS EVEN WITH THE PROPERTY SEPARATION AGREEMENT?

A NO.

Q WHAT HAPPENS IF THERE IS A PROPERTY SEPARATION AGREEMENT AND A WIFE DIES WITHOUT A WILL AND A HUSBAND REMAINS ALIVE?

A O.K. IN THAT CASE, I BELIEVE THAT THE WIFE IS NOT ENTITLED TO HER COMMUNITY SHARE OF HIS ESTATE. AND THE LAWS

OF INTESTATE SUCCESSION WOULD APPLY, AND SHE WOULD SHARE ALSO HER COMMUNITY HALF WITH THE CHILDREN OR OTHERS.

Q SO IF THERE IS A SEPARATION OF PROPERTY AGREEMENT ONE SPOUSE DIES AND THERE IS NO WILL, THE PROPERTY THAT'S LEFT IS SHARED BETWEEN THE REMAINING SPOUSE AND THE CHILDREN?

A EXCEPT THERE'S A DIFFERENCE, THOUGH, AND A VERY SUBSTANTIAL DIFFERENCE, AND THAT IS THAT IF THERE IS NOT A SEPARATION AGREEMENT, THAT THE SURVIVING SPOUSE LITERALLY GETS HALF THE PROPERTY TO BEGIN WITH, AND THEN THE BALANCE IS DISTRIBUTED ACCORDING TO THE INTESTATE SUCCESSION LAWS.

Q AND THE INTESTATE SUCCESSION LAWS GIVES WHAT TO WHOM?

A THERE IS A FORMULA COUNSEL, AND I --

Q NO, IT'S TOO LATE, TOO LATE. FORGET IT. I WITHDRAW THE QUESTION.

MR. WEINGARTEN: NO FURTHER QUESTIONS.

THE WITNESS: O.K.

THE COURT: ANYTHING FURTHER?

MR. LEWIN: NO FURTHER QUESTIONS.

THE COURT: ALL RIGHT.

YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED. GOOD DAY.

THE WITNESS: YOU BET, YOUR HONOR.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE

ARE GOING TO START TOMORROW MORNING, AND COUNSEL -- ALL COUNSEL -- TOMORROW MORNING WE START AT 9:30. 9:30. AND COUNSEL HAVE BEEN ADVISED EARLIER, AND I BELIEVE I TOLD THE LADIES AND GENTLEMEN OF THE JURY, BUT THIS I'M NOT CERTAIN ABOUT, SOME TIME AGO, THAT THERE WAS GOING TO BE A LENGTHY LUNCHEON TOMORROW AND AN INTERRUPTION BETWEEN OUR SESSION TOMORROW. BUT THE MARSHALS HAVE ALSO ADVISED ME THAT THEY HAVE SOMETHING SPECIAL PLANNED FOR YOU. AND I SEE THAT YOU HAVE BEEN APPRISED OF THAT; YOU ARE NODDING AT ME. AND HOPEFULLY, YOU WILL ENJOY THAT RESPITE. BUT DON'T COUNT ON THERE BEING ANY OTHER LONG HIATUSES WHILE WE ARE STILL TOGETHER IN THE CASE. SO ENJOY WHAT YOU HAVE TOMORROW.

BUT, THE FIRST THING FIRST, LADIES AND GENTLEMEN OF THE JURY. WE SEE EACH OTHER AT 9:30 IN THE MORNING FOR AS LONG AS WE CAN GO INTHE MORNING. WE WILL THEN BREAK. WE WILL COME BACK IN THE AFTERNOON, AND ONCE AGAIN, TOMORROW WE PLAN TO SIT UNTIL 7:00 O'CLOCK IN THE EVENING. SO, AGAIN, WHATEVER IT TAKES TO FORTIFY YOURSELVES IN THAT KIND OF RESOLVE AND THAT SITTING ATMOSPHERE, PLEASE DO SO. HAVE A VERY GOOD EVENING. ENJOY YOUR MEAL; ENJOY WHAT COMES AFTER IT, AND ENJOY YOUR SLEEP. WE WILL SEE YOU TOMORROW MORNING.

REMEMBER THE ADMONITION NOT TO DISCUSS THE CASE.

ALL RIGHT. HAVE A GOOD EVENING, SIMILARLY FOR ALL.

(WHEREUPON, AT 7:06 P.M., THE TRIAL WAS ADJOURNED, TO RECONVENE AT 9:30 A.M., WEDNESDAY, MARCH 28, 1984)

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

Gordon A. Slodysko
GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

Shirley Popejoy
SHIRLEY POPEJOY
OFFICIAL COURT REPORTER

MINDI COLCHICO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - x

UNITED STATES OF AMERICA	:	
VS.	:	CRIMINAL ACTION NO. 83-75
GEORGE VERNON HANSEN,	:	
DEFENDANT	:	VOLUME NO. 8

- - - - - - - - - - - - - - - - - - x

WASHINGTON, D. C.

WEDNESDAY, MARCH 28, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 9:30 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX.

WITNESS	DIRECT	CROSS	REDIRECT	RECROSS
CONSTANCE S. HANSEN	1170	1219	1316	1324
JAMES T. MCKENNA	1334			

EXHIBIT	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
66	1238	1240
67	1242	1243
68	1245	1246
69-A THROUGH E	1249	1255
70	1260	1261
71	1262	
72		1282
74-A THROUGH D	1299	1302
73		1302
75-A THROUGH J	1305	1310
76	1315	
DEFENDANT'S		
85	1184	1185
48 AND 49		1372
81		1384

PROCEEDINGS

(JURY NOT PRESENT)

THE COURT: GOOD MORNING. ARE WE READY FOR THE JURY?

MR. LEWIN: YES, YOUR HONOR. JUST TWO SMALL MINISTERIAL ITEMS. ONE IS WE WOULD LIKE TO SUBSTITUTE DEFENDANT'S EXHIBIT 36 AS REDACTED, WITHOUT PARAGRAPHS --

THE COURT: MINUS FOUR PARAGRAPHS?

MR. LEWIN: MINUS FOUR PARAGRAPHS.

THE COURT: ALL RIGHT.

MR. LEWIN: IF I MIGHT TAKE A MINUTE OUTSIDE, YOUR HONOR, I'LL BE RIGHT BACK.

THE COURT: ALL RIGHT.

ARE WE READY?

MR. LEWIN: THE OTHER SUBSTITUTION I WANTED TO MAKE, YOUR HONOR, WAS A CLEAN COPY OF THE WHITE BOOK.

THE COURT: WITHOUT THE UNDERLINING.

MR. LEWIN: WITHOUT THE UNDERLINING, YES.

THE COURT: AND THAT WAS EXHIBIT NUMBER -- WELL, ONE OF THE BOOKS ON THE IRS. ALL RIGHT. FINE.

MR. LEWIN: EXHIBIT 21.

MR. COLE: YOUR HONOR, AS TO THE SUBSTITUTIONS, WITH OUR CONTINUING OBJECTION AS TO RELEVANCY.

THE COURT: BUT NO OBJECTION TO THE SUBSTITUTION, ITSELF, PER SE.

MR. COLE: NO.

THE COURT: YOUR OBJECTION IS PRESERVED.

ALL RIGHT. SHALL WE BRING THE JURY IN.

COUNSEL ARE AWARE THAT WE ARE GOING TO THE NEIGHBORHOOD OF ABOUT 11:00 TODAY, MAYBE A LITTLE BIT AFTER, AND THEN BREAK AND BE BACK. IT'S HARD TO JUDGE WHEN I WILL BE BACK, PARTICULARLY WITH THIS WEATHER, BUT IT WILL BE CLOSER TO 3:00.

MR. LEWIN: 3:00. THANK YOU.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE); GOOD MORNING.

THE COURT: DON'T WE ALL GET THE FEELING THAT WE'RE ACTUALLY LIVING HERE IN THIS COURTROOM?

THE JURY (EN MASSE): YES.

THE COURT: YES. ALL RIGHT.

SHALL WE CONTINUE WITH THE TESTIMONY. MR. LEWIN, WOULD YOU CALL YOUR NEXT WITNESS, PLEASE?

MR. LEWIN: THE DEFENSE CALLS CONNIE HANSEN.

CONSTANCE S. HANSEN

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING, MRS. HANSEN.

THE WITNESS: GOOD MORNING.

DIRECT EXAMINATION

BY MR. LEWIN:

Q MRS. HANSEN, WILL YOU PLEASE ADJUST THE MICROPHONE JUST SO IT IS COMFORTABLE FOR YOU, BECAUSE YOU ARE GOING TO HAVE TO SPEAK INTO IT SO THAT EVERYBODY CAN HEAR YOU. SOMETIMES, IF YOU FACE THE OTHER WAY, YOU CAN'T BE HEARD THROUGH THE MICROPHONE. SO JUST ADJUST IT SO THAT IT'S COMFORTABLE FOR YOU.

A IS THIS O.K.?

Q SOUNDS FINE TO ME.

A CAN YOU HEAR ME?

Q YES.

COULD YOU PLEASE STATE YOUR FULL NAME?

A CONSTANCE SUE CAMP HANSEN.

Q AND ARE YOU THE WIFE OF CONGRESSMAN GEORGE HANSEN?

A YES, I AM.

Q MRS. HANSEN, COULD YOU PLEASE TELL THE COURT AND JURY WHERE YOU WERE BORN AND RAISED.

A I WAS BORN IN BROOKLAND, ARKANSAS.

Q AND WERE YOU RAISED THERE?

A I LIVED THERE. I WAS BORN THERE ON A FARM IN 1934. I LIVED THERE UNTIL THE EARLY FORTIES, WHEN MY FATHER LEFT FARMING AND WENT TO WORK FOR THE RAILROAD, AND WE MOVED TO MISSOURI.

Q YOU SAY YOUR FATHER WAS A FARMER?

A HE WAS A SHARECROPPER.

Q AND HOW LARGE A FAMILY DID YOU HAVE?

A I WAS THE NINTH OF TEN CHILDREN.

Q AND COULD YOU JUST VERY BRIEFLY DESCRIBE YOUR CHILDHOOD AND EDUCATION.

A WELL, I WENT TO A ONE-ROOM COUNTRY SCHOOL IN ARKANSAS UNTIL WE MOVED TO THE SMALL TOWN IN SOUTHEASTERN MISSOURI, WHERE I FINISHED MY ELEMENTARY EDUCATION. WE MOVED TO ANOTHER SMALL TOWN IN MISSOURI, WHERE I ATTENDED HIGH SCHOOL FOR A COUPLE OF YEARS. WE LATER MOVED BACK TO MALDEN, MISSOURI, WHERE I GRADUATED FROM HIGH SCHOOL.

Q DID ANY OF YOUR BROTHERS OR SISTERS GRADUATE FROM HIGH SCHOOL?

A NO. I WAS THE ONLY ONE.

Q DID YOU GO ANY FURTHER, EDUCATION-WISE, THAN HIGH SCHOOL?

A I GRADUATED FROM HIGH SCHOOL. BUT I --

Q DID YOU GO BEYOND HIGH SCHOOL?

A NO, I DIDN'T.

Q NOW, COULD YOU TELL THE COURT AND JURY WHEN AND WHERE YOU GOT MARRIED.

A I MARRIED MY HUSBAND IN MALDEN, MISSOURI, DECEMBER 19TH, 1952, AFTER A BRIEF COURTSHIP. HE WAS STATIONED THERE IN THE MILITARY, IN THE U. S. AIR FORCE.

Q AND AFTER YOU GOT MARRIED, WHERE DID YOU LIVE?

A WE MOVED FROM -- HE WAS TRANSFERRED FROM MALDEN AIR BASE IN MISSOURI TO SAMSON AIR FORCE BASE IN NEW YORK, AND WE WENT THERE ABOUT THE FIRST OF JANUARY, 1953, AND LIVED THERE UNTIL HE COMPLETED HIS TENURE OF SERVICE.

Q AND DURING THE PERIOD OF TIME THAT HE WAS IN NEW YORK WITH THE MILITARY, WHAT DID YOU DO?

A I WORKED AND HAD OUR FIRST CHILD.

Q HOW MANY CHILDREN DO YOU HAVE?

A FIVE.

Q AND WHAT ARE THEIR AGES TODAY?

A 24, 25, 28, 29, AND 30. AND TWO GRANDCHILDREN.

Q AND HOW DO THEY DISTRIBUTE IN TERMS OF SEX?

A I HAVE TWO DAUGHTERS AND THREE SONS.

Q NOW, FROM NEW YORK, MRS. HANSEN, WHERE DID YOU AND YOUR FAMILY MOVE?

A WE WENT BACK TO IDAHO, FIRST TO THE LITTLE TOWN OF SODA SPRINGS, WHERE MY HUSBAND MANAGED A GRAIN ELEVATOR. THIS WAS THE BUSINESS HE HAD BEEN IN WITH HIS FATHER BEFORE HE WENT INTO THE SERVICE AND BEFORE HIS FATHER DIED. AND WE COULD SEE THAT THERE WASN'T A LOT OF FUTURE IN IT, AND HE DECIDED TO GO BACK TO COLLEGE AND COMPLETE HIS EDUCATION. AND HE HAD HAD A YEAR-AND-A-HALF'S COLLEGE BEFORE HE WENT INTO THE MILITARY, AND SO WE HAD A FEW YEARS OF SCHOOL LEFT, AND HE WORKED FULL-TIME AND FINISHED HIS EDUCATION.

Q AND WHAT WERE YOU DOING DURING THAT PERIOD OF TIME?

A I WAS STAYING HOME AND TAKING CARE OF THE CHILDREN.

Q AFTER HE COMPLETED HIS EDUCATION, WHAT DID YOU DO NEXT? WHAT DID YOU AND HE DO NEXT?

A WELL, HE FINISHED HIS EDUCATION IN REXBURG, WHICH IS A SMALL TOWN IN IDAHO. HE GRADUATED FROM RICKS COLLEGE, WHICH IS A SISTER SCHOOL OF BRIGHAM YOUNG UNIVERSITY. AT THAT TIME, IT WAS A FOUR-YEAR SCHOOL. AND HE HAD A TEACHING POSITION IN POCATELLO. AND WE MOVED TO POCATELLO THAT SUMMER, AWAITING THE ARRIVAL OF FALL, AND HE WAS GOING TO DO FURTHER WORK AT IDAHO STATE COLLEGE.

Q DID HE THEREAFTER TEACH SCHOOL?

A HE DID. HE TAUGHT FOR TWO YEARS.

Q AND WAS HE SUPPLEMENTING HIS INCOME WITH OTHER JOBS AT THE SAME TIME?

A YES, HE WAS.

Q AND THEREAFTER -- WHAT YEAR ARE WE UP TO BY NOW, MRS. HANSEN?

A WELL, LET'S SEE. I USUALLY JUDGE THE YEAR BY WHO WAS BORN THAT YEAR.

I THINK '56 WAS THE YEAR HE FINISHED COLLEGE, SO HE TAUGHT SCHOOL '56 AND '57. HE WAS OUT PART OF THAT YEAR WITH RHEUMATIC FEVER. HE DIDN'T TEACH THE LATTER PART OF THE FIRST YEAR. AND HE TAUGHT THE NEXT YEAR. AND THEN HE WENT WITH NEW YORK LIFE INSURANCE COMPANY.

Q SO THEN HE STARTED WITH A LIFE INSURANCE COMPANY.

A RIGHT.

Q UNTIL THEN, IN TERMS OF FINANCIAL WHEREWITHAL, WERE YO. MAKING A LOT OF MONEY -- WAS HE MAKING A LOT OF MONEY IN THESE VARIOUS JOBS?

A NO.

Q WAS LIFE DIFFICULT IN TERMS OF SUSTENANCE OR MAKING A LIVING AT THAT POINT?

A WELL, YOU KNOW, WHEN YOU'RE YOUNG AND MARRIED AND HAVE YOUR GROWING FAMILY AND SO FORTH, I DON'T THINK YOU EXACTLY LOOK UPON THOSE THINGS AS DIFFICULTIES. YOU SORT OF LOOK AT THEM AS CHALLENGES.

Q THANK YOU.

THEN YOU SAY MR. HANSEN BEGAN AS A LIFE INSURANCE SALESMAN?

A YES.

Q AND DID YOU CONTINUE AS A HOUSEWIFE AND HOMEMAKER?

A YES, I DID. AND AS THE CHILDREN STARTED TO GROW AND I BECAME ABLE TO GET INVOLVED IN THEIR ACTIVITIES, I WAS ACTIVE IN OUR CHURCH AND CIVIC ORGANIZATIONS TO THE EXTENT THAT I FOUND IT POSSIBLE.

Q DID THERE COME A TIME WHEN YOUR HUSBAND WENT INTO POLITICAL LIFE?

A YES.

Q COULD YOU TELL US WHAT YEAR THAT WAS?

A I THINK IT WAS 1961.

Q AND IN WHAT CAPACITY DID HE GO INTO POLITICAL LIFE?

A WELL, WE MOVED INTO A LITTLE COMMUNITY WHICH WAS SORT OF THE BEDROOM CITY OF POCATELLO. IT WAS A SUBURB OF POCATELLO, WITH ONLY A STREET DIVIDING THE TWO CITIES. POCATELLO WAS WHERE WE HAD LIVED WHEN WE FIRST MOVED THERE, AND WE MOVED OUT INTO THE LITTLE CITY OF ALAMEDA, WHICH WAS MAYBE NINE, TEN THOUSAND PEOPLE. AND THAT'S WHERE WE OWNED OUR FIRST HOME. AND HE WAS ASKED BY NEIGHBORS AND PEOPLE IN THE COMMUNITY TO RUN FOR THE MAYOR OF THE LITTLE CITY.

Q AND DID HE RUN?

A YES, HE DID.

Q WAS HE ELECTED?

A YES, HE WAS. WE HAD A SORT OF A FAMILY DOOR-TO-DOOR CAMPAIGN, AND HE WAS ELECTED. AND HE WAS THE YOUNGEST MAYOR IN THE STATE. AND SOME PEOPLE EVEN CALLED HIM A "MIRACLE MAYOR."

Q THEREAFTER, DID HE CONTINUE IN POLITICAL LIFE IN ANY OTHER MUNICIPALITY?

A YES. HE SERVED AS MAYOR OF ALAMEDA. AND THERE WAS AN EFFORT GOING TO COMBINE THE TWO CITIES. POCATELLO WAS SECOND OR THIRD LARGEST CITY IN THE STATE AT THAT TIME AND ALAMEDA WAS NINTH. AND THERE HAD BEEN AN EFFORT MAYBE A YEAR BEFORE TO CONSOLIDATE THE TWO CITIES, AND IT HAD BEEN UNSUCCESSFUL. AND WITH MY HUSBAND'S EFFORTS, ALONG WITH A LOT OF OTHER PEOPLE, THERE WAS ANOTHER EFFORT PUT FORTH, AND

THE TWO CITIES DID MERGE THAT YEAR, I THINK ABOUT -- WITHIN THE YEAR. AND WHEN THE TWO CITIES MERGED, THE LAW WAS THAT YOU WOULD TAKE ON THE FORM OF GOVERNMENT OF THE LARGER OF THE TWO CITIES. AND SO, THE CITY OF POCATELLO HAD NO MAYOR; IT WAS A CITY MANAGER FORM OF GOVERNMENT, AND MY HUSBAND RAN FOR OFFICE AGAIN --

Q IN POCATELLO?

A IN POCATELLO, AND WAS ELECTED TO THE CITY COUNCIL.

Q NOW, THOSE JOBS AS MAYOR AND THE CITY COUNCIL, DO THEY PAY A LOT OF MONEY?

A OH, NO. IT WAS TOKEN SALARY, LIKE 100 OR 150 A MONTH. I DON'T EVEN REMEMBER.

Q BUT IT HAD REGULAR MEETINGS, YOU HAD REGULAR DUTIES TO ATTEND TO IN TERMS OF CITY MANAGEMENT; IS THAT RIGHT?

A OH, YEAH. WELL, HE WASN'T CITY MANAGER. HE WAS CITY COUNCIL.

Q A MEMBER OF THE CITY COUNCIL. BUT HE HAD TO ATTEND REGULAR CITY COUNCIL MEETINGS.

A YES.

Q AND WAS THERE A TIME THEREAFTER WHEN YOUR HUSBAND RAN FOR A NATIONAL OFFICE?

A YES.

Q AND WHEN WAS THAT?

A WELL, HE MADE A BID FOR THE SENATE IN '62 IN A PRIMARY, AND HE WAS UNSUCCESSFUL. AND THEN HE RAN IN '64 FOR CONGRESS, AND HE WAS SUCCESSFUL.

Q HE WAS ELECTED TO CONGRESS IN 1964.

A YES.

Q AND THAT'S FROM THE SECOND CONGRESSIONAL DISTRICT IN IDAHO?

A THAT'S RIGHT.

Q THERE ARE JUST TWO CONGRESSMEN FROM IDAHO; IS THAT RIGHT?

A YES.

Q TWO CONGRESSIONAL DISTRICTS. SO THERE'S TWO SENATORS AND TWO CONGRESSMEN.

A YES.

Q SO YOU MOVED TO THE DISTRICT OF COLUMBIA IN 1965, IS THAT RIGHT?

A WE MOVED TO ARLINGTON, VIRGINIA.

Q I'M SORRY. THE AREA OF THE DISTRICT OF COLUMBIA.

A YES.

Q AND YOUR HUSBAND REMAINED IN CONGRESS AT THAT POINT FOR HOW LONG? FROM 1965 UNTIL WHEN?

A HE WAS REELECTED IN '66. HE RAN FOR THE SENATE AGAIN IN '68 AND WAS UNSUCCESSFUL.

Q SO HE HAD FOUR YEARS IN THE CONGRESS AT THAT POINT.

A THAT'S RIGHT.

Q AND DURING THOSE FOUR YEARS, WHILE HE SERVED IN THE CONGRESS, WHAT WAS YOUR OCCUPATION?

A I WAS A HOUSEWIFE AND A MOTHER.

Q AND FOLLOWING HIS UNSUCCESSFUL RACE FOR THE SENATE IN 1968, DID YOU GO BACK TO IDAHO?

A NO. OUR CHILDREN WERE ALL ENROLLED IN SCHOOL HERE, AND AS IN ALL POLITICAL SITUATIONS, YOU OFTEN HAVE A DIFFICULT TIME DECIDING WHAT TO DO. BUT HE DID TAKE A JOB WITH THE DEPARTMENT OF AGRICULTURE, AND WE STAYED HERE.

Q SO YOU STAYED HERE FROM 1969 UNTIL WHEN?

A UNTIL ABOUT THE TIME SCHOOL STARTED IN '71.

Q AND DURING THAT PERIOD OF TIME, WHILE MR. HANSEN WAS -- DO YOU REMEMBER HIS TITLE AT THE DEPARTMENT OF AGRICULTURE?

A WELL, FIRST, HE WORKED IN -- HE WAS A DEPUTY UNDERSECRETARY FOR CONGRESSIONAL RELATIONS, AND THEN HE LATER TRANSFERRED OVER TO ANOTHER AREA CALLED AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, AND I BELIEVE HE WAS -- THE TITLE WAS DEPUTY DIRECTOR OF THAT.

Q DURING THAT PERIOD OF TIME, WHAT WAS YOUR OCCUPATION?

A WELL, OUR CHILDREN WERE GETTING OLDER, AND I TOOK A JOB PART-TIME WITH A CONGRESSMAN FROM UTAH. I FOUND THAT IT WAS A CHALLENGE TO GET BACK INTO THE WORKING WORLD. AND I WORKED THERE FROM THE WINTER OF '69 UNTIL THAT SUMMER, AND THEN I TOOK OFF FOR THE SUMMER.

Q NOW, YOU SAY IN 1971 YOU RETURNED TO IDAHO?

A YES.

Q AND WHERE DID YOU TAKE UP RESIDENCE IN IDAHO?

A BACK IN POCATELLO.

Q AND WHAT DID YOUR HUSBAND DO AT THAT TIME?

A HE REESTABLISHED HIS BUSINESS WITH NEW YORK LIFE INSURANCE COMPANY.

Q AND HE SOLD INSURANCE IN IDAHO -- IN POCATELLO.

A YES.

Q AND AT THAT TIME, WHAT DID YOU DO?

A WELL, GOT THE CHILDREN SITUATED; HAD TWO CHILDREN IN JUNIOR HIGH SCHOOL, A DAUGHTER WHO WAS A JUNIOR AND A SON WHO WAS A SENIOR. AND WE ESTABLISHED A BUSINESS.

Q YOU ESTABLISHED A BUSINESS.

A YES.

Q WHAT WAS THE BUSINESS?

A CALLED THE POCATELLO COPYCAT. IT WAS A SMALL PRINTING BUSINESS.

Q POCATELLO COPYCAT, CO-P-Y-C-A-T.

A RIGHT.

Q AND THAT'S SORT OF DUPLICATION, PHOTOCOPY OF DOCUMENTS?

A YES. AT THAT TIME THERE WERE NO OTHER QUICK PRINTING BUSINESSES IN THE CITY, AND THAT SEEMED TO BE A PRETTY GOOD BUSINESS TO START.

Q AND WHERE WAS THAT LOCATED?

A 420 NORTH MAIN.

Q AND WHERE WAS THAT LOCATED IN RELATION TO YOUR HUSBAND'S OFFICE -- INSURANCE OFFICE?

A WELL, HE PUT HIS OFFICE UPSTAIRS. THE BUILDING WAS AN A-FRAME BUILDING, SORT OF A GLASS BUILDING, AND WE ARRANGED IT SO THAT HE COULD HAVE HIS OFFICE UPSTAIRS AND I WOULD BE WORKING DOWNSTAIRS.

Q SO YOU ESSENTIALLY WORKED IN THE SAME BUILDING; HE WAS UPSTAIRS WITH THE INSURANCE BUSINESS, AND YOU WERE DOWNSTAIRS WITH THE COPYCAT BUSINESS.

A THAT'S CORRECT.

Q AND WHAT DID YOU DO WITH REGARD TO THAT COPYCAT BUSINESS?

A WELL, I RAN IT. I RAN THE OPERATION.

Q DID YOU HIRE ANYBODY?

A YES, I DID. I HIRED AND TRAINED AND DID THE PURCHASING OF THE PRODUCTS WE NEEDED TO OPERATE IT. BOUGHT THE PAPER, LOOKED FOR IDEAS AND WAYS OF IMPROVING THE BUSINESS.

Q DID THERE COME A TIME WHILE YOU WERE BACK IN POCATELLO THAT YOU, YOURSELF, GOT INVOLVED IN POLITICAL LIFE?

A YES. I WAS ACTIVE IN CIVIC ORGANIZATIONS, AND I WAS ACTIVE IN MY CHURCH AS A RELIEF SOCIETY PRESIDENT. AND I WAS ELECTED TO THE POCATELLO CITY COUNCIL IN 1973.

Q YOU, YOURSELF, WERE ELECTED TO THE POCATELLO CITY COUNCIL.

A YES, I WAS.

Q IMMEDIATELY PRECEDING THAT, HAD THERE BEEN A WOMAN ON THE POCATELLO CITY COUNCIL, ON THE IMMEDIATELY PRECEDING CITY COUNCIL?

A THERE HAD BEEN TWO LADIES WHO HAD SERVED, OH, TEN OR FIFTEEN YEARS BEFORE, BUT THERE WERE NO WOMEN SERVING ON THE BOARD AT THAT TIME.

Q AND IN TERMS OF THE ELECTION FOR THE POCATELLO CITY COUNCIL, COULD YOU TELL US WHERE YOU PLACED IN THE VOTE FOR ELECTION TO THE POCATELLO CITY COUNCIL?

A I CAME IN NUMBER ONE OUT OF A FIELD OF EIGHT OR NINE. I WAS NUMBER ONE. AND THAT WAS RECEIVING A LOT OF RECOGNITION FROM THE MEDIA AND SO FORTH, BUT I DID NOT RUN ON THE BASIS OF BEING A WOMAN.

Q AND FOR HOW LONG A TERM WERE YOU ELECTED?

A I WAS ELECTED TO SERVE A FOUR-YEAR TERM.

Q DID YOU IN FACT SERVE THAT FULL FOUR-YEAR TERM?

A NO, I DID NOT.

Q WHY NOT?

A WELL, I FELT THAT THE MOST IMPORTANT THING THAT I COULD DO WOULD BE TO COME TO WASHINGTON WITH MY HUSBAND.

Q AND WHAT HAPPENED IN THE FALL OF '74?

A IN THE FALL OF '74, AFTER MUCH DELIBERATION AS TO WHAT WOULD EXACTLY BE THE RIGHT THING TO DO -- WE WANTED TO PUT OUR FAMILY CONSIDERATIONS FIRST, AND WE DECIDED THAT THE BEST THING TO DO WOULD BE FOR ME TO RESIGN THAT POSITION AND

BRING THE CHILDREN AND COME BACK HERE WITH MY HUSBAND.

Q O.K. I GUESS THE UNSPOKEN THING WE HAVEN'T SAID: YOUR HUSBAND RAN FOR CONGRESS IN '74.

A THAT'S RIGHT.

Q O.K.

A AND HE WAS SUCCESSFUL.

Q AND HE WAS ELECTED TO CONGRESS. SO THAT'S THE REASON THAT YOU RESIGNED FROM THE POCATELLO CITY COUNCIL.

A YES.

Q TO COME BACK TO WASHINGTON WITH YOUR HUSBAND, WHO WAS THEN REELECTED TO CONGRESS AT THAT POINT.

A YES.

Q O.K. SO YOUR HUSBAND WAS ELECTED TO CONGRESS TO BEGIN SERVING IN JANUARY OF 1975; IS THAT RIGHT?

A THAT'S RIGHT.

Q AND YOU THEN RETURNED TO THE AREA OF THE DISTRICT OF COLUMBIA.

A YES.

Q AND WHERE DID YOU RESIDE?

A WE MOVED BACK TO ARLINGTON.

Q NOW, AT THAT POINT, WHEN YOU RETURNED TO THE WASHINGTON AREA IN 1975, MRS. HANSEN, I WILL ASK YOU WHAT OCCUPATION YOU THEN HAD AS OF 1975.

A I WAS NOT GAINFULLY EMPLOYED.

Q WHAT DID YOU DO?

A AFTER WE GOT MOVED IN AND GOT THE CHILDREN SETTLED INTO SCHOOL, I STARTED VOLUNTEERING IN MY HUSBAND'S OFFICE.

Q YOU STARTED COMING IN TO WORK IN YOUR HUSBAND'S OFFICE?

A YES. AFTER A COUPLE OF MONTHS.

Q AND HOW MUCH TIME DID YOU DEVOTE TO THAT?

A AS MUCH AS I COULD. USUALLY, OH, SIX, SEVEN, EIGHT HOURS A DAY AT THAT TIME, BECAUSE THE CHILDREN WERE -- I STILL HAD TWO CHILDREN AT HOME IN SCHOOL.

Q DID THAT VOLUNTEERING OF SOME TIME DURING THE DAY ULTIMATELY DEVELOP INTO MORE WORK AT YOUR HUSBAND'S OFFICE?

A IT CERTAINLY DID.

Q AND WHAT ULTIMATELY HAPPENED?

A WELL, A COUPLE OF YEARS LATER, I TOOK OVER THE RESPONSIBILITIES OF RUNNING THE OFFICE.

Q AND WHAT ARE YOU DOING NOW?

A I AM SERVING IN AN UNPAID CAPACITY AS MY HUSBAND'S ADMINISTRATIVE ASSISTANT.

Q YOU ARE THE ADMINISTRATIVE ASSISTANT IN THE OFFICE OF CONGRESSMAN GEORGE HANSEN; IS THAT RIGHT?

A THAT'S CORRECT.

Q AND YOU RUN THE OFFICE. YOU ARE THE PERSON WHO RUNS THAT OFFICE, IS THAT RIGHT?

A WELL, THEY ALL LET ME BELIEVE I DO.

Q ALL RIGHT. AND YOU SAY YOU DO THAT FOR NO PAY AT

ALL? DO YOU GET ANY SALARY?

A NONE WHATSOEVER.

Q AND ARE YOU, IN FACT, LISTED AS THE ADMINISTRATIVE ASSISTANT FOR THAT OFFICE?

A I THINK PERHAPS I AM.

Q WELL, LET ME SHOW YOU WHAT I WILL MARK AS DEFENDANT'S EXHIBIT --

THE COURT: JUST THE PAGE, I TAKE IT.

MR. LEWIN: YES. I HAVE COPIES OF THE PAGE, YOUR HONOR, AND I WILL PROVIDE THAT.

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 85 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 85 WAS MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q I PLACE BEFORE YOU, MRS. HANSEN, WHAT HAS BEEN MARKED FOR IDENTIFICATION AS DEFENDANT'S EXHIBIT 85 FOR IDENTIFICATION. IT IS THE CONGRESSIONAL STAFF DIRECTORY FOR THE YEAR 1983. AND I SPECIFICALLY DIRECT YOUR ATTENTION TO PAGE 318. THE SECOND INDIVIDUAL ON THE LEFT, SECOND CONGRESSMAN ON THE LEFT ON THAT CONGRESSIONAL STAFF DIRECTORY IS REPRESENTATIVE GEORGE V. HANSEN; IS THAT CORRECT?

A THAT'S CORRECT.

Q 1125 "LHOB", WHICH STANDS FOR --

A LONGWORTH HOUSE OFFICE BUILDING.

Q LONGWORTH HOUSE OFFICE BUILDING. AND TELEPHONE NUMBER (202) 225-5531; IS THAT CORRECT?

A THAT'S CORRECT.

MR. LEWIN: WE OFFER THE PAGE, YOUR HONOR, IN EVIDENCE.

MR. WEINGARTEN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE.

(DEFENDANT'S EXHIBIT NO. 85
WAS RECEIVED IN EVIDENCE)

MR. LEWIN: MAY WE JUST HAVE THAT PUBLISHED TO THE JURY, YOUR HONOR, TO TAKE A QUICK LOOK AT IT?

THE COURT: I WOULD SUGGEST, MR. LEWIN, TO SAVE TIME -- IT IS A PAGE; IT DOES HAVE THAT INFORMATION ON IT. THEY CERTAINLY WILL SEE IT BACK IN THE JURY ROOM. I WOULD HOPE WE CAN MOVE ON, ALL RIGHT?

BY MR. LEWIN:

Q THE FIRST NAME UNDER THAT, MRS. HANSEN, ON THE LEFT-HAND SIDE OF THE PAGE UNDER REPRESENTATIVE GEORGE V. HANSEN, SAYS "HANSEN, CONNIE, ADMINISTRATIVE ASSISTANT." THAT'S YOU.

A THAT IS ME.

Q AND THAT'S THE ONLY ADMINISTRATIVE ASSISTANT IN THAT OFFICE?

A YES.

Q AND IT'S THE TOP-RANKING JOB IN THAT OFFICE.

A YES.

Q AND HAVE YOU INQUIRED, PURSUANT TO MY REQUEST, TO

FIND OUT WHAT THAT JOB WOULD PAY IF IT WERE AN OUTSIDER WHO OCCUPIED THAT JOB?

MR. WEINGARTEN: EXCUSE ME. MAY WE APPROACH THE BENCH?

THE COURT: COUNSEL.

(AT THE BENCH)

MR. WEINGARTEN: MY UNDERSTANDING IS THAT A CONGRESSMAN HAS ABSOLUTE DISCRETION TO PAY THE STAFF ANYTHING HE WANTS TO, SO I DON'T THINK THE QUESTION IS A FAIR ONE, AND IT WOULD BE IRRELEVANT.

MR. LEWIN: IT SHOWS THAT -- IN TERMS OF WHAT MRS. HANSEN DOES, HER JOB, AS I UNDERSTAND IT, WOULD PAY FIFTY TO FIFTY-EIGHT THOUSAND DOLLARS IF HE GAVE IT TO AN OUTSIDER. SHE DOES IT FOR NOTHING. IN TERMS OF INTENT, TRYING IN ANY WAY TO TRY TO CHEAT THE GOVERNMENT OR ANYTHING, IT SEEMS TO ME IT IS VERY RELEVANT.

THE COURT: OF COURSE, IT OPENS UP THE EXAMINATION, IF I ALLOW YOU TO DO IT, MR. LEWIN. IT DOES OPEN UP THE EXAMINATION FOR THE GOVERNMENT AS TO THE FACT THAT HE WOULD HAVE AN ABILITY TO PLACE AND PAY HIS STAFF, IF HE WISHES.

MR. LEWIN: ABSOLUTELY.

THE COURT: AND HE COULD HAVE MORE SECRETARIES AND DO WHAT HE WANTS.

MR. WEINGARTEN: IT'S ILLEGAL TO PAY YOUR WIFE.

MR. LEWIN: HE CAN'T PAY HIS WIFE, I KNOW; OF COURSE.

THE COURT: YOU CAN BRING THAT OUT.

MR. LEWIN: ABSOLUTELY.

THE COURT: MR. LEWIN, WE HAVE HAD ALMOST A HALF-HOUR OF HER BACKGROUND. IT IS VERY INTERESTING. I MUST SAY THAT I AM INTERESTED IN IT, MR. LEWIN, BUT I WOULD LIKE US TO GET TO THE POINT. I THINK WE ARE GETTING CLOSER TO IT NOW. I HOPE SO.

MR. LEWIN: I THINK, YOUR HONOR, SINCE --

THE COURT: I HAVE ALLOWED YOU HALF AN HOUR OF EXPLORING HER BACKGROUND, YOU KNOW?

MR. LEWIN: ALL RIGHT.

(END OF BENCH CONFERENCE)

BY MR. LEWIN:

Q HAVE YOU INQUIRED TO FIND OUT WHAT THAT JOB WOULD PAY IF AN OUTSIDER WERE TO OCCUPY IT -- COULD PAY?

A I HAVE BEEN TOLD THAT IT PAYS -- IT'S UP TO THE CONGRESSMAN TO PAY HIS ADMINISTRATIVE ASSISTANT, WITHIN A REALM OF UP TO $50,000 A YEAR.

Q $50,000 A YEAR. AND YOU DO THAT FOR NOTHING.

A THAT'S CORRECT.

MR. LEWIN: I GUESS THE ONE THAT'S IN EVIDENCE, YOUR HONOR, THEN, IS THIS WOULD BE DEFENDANT'S EXHIBIT 85.

BY MR. LEWIN:

Q IN 1976 YOUR HUSBAND WAS REELECTED TO THE CONGRESS?

A THAT'S CORRECT.

Q NOW, HAVING REACHED THAT STAGE, COULD YOU DESCRIBE FOR THE COURT AND JURY, MRS. HANSEN, AS OF THE BEGINNING -- AS OF 1976, IN THE BEGINNING OF THE CONGRESSIONAL TERM OF 1977, WHAT THE FINANCIAL CIRCUMSTANCES OF THE HANSEN FAMILY WERE AS OF THAT TIME.

A IT WAS SERIOUS, VERY SERIOUS.

Q SERIOUS IN THE SENSE THAT YOU OWED MONEY?

A THAT'S CORRECT. CONSIDERABLE DEBTS HAD BEEN PILING UP.

Q OVER THE PERIOD -- THE PRECEDING PERIOD? IS THAT RIGHT?

A YES. SINCE '74.

Q AND WERE YOU WORRIED ABOUT THAT CONSIDERABLE DEBT?

A YES, I WAS.

Q COULD YOU TELL US, WAS THIS DEBT IN THE FORM OF REAL ESTATE MORTGAGES? YOU KNOW, HOW WOULD YOU DESCRIBE WHO THE MONEY WAS OWED TO, THE KINDS OF PEOPLE OR THE KINDS OF INSTITUTIONS?

A WELL, IT WAS PRIMARILY FRIENDS WHO HAD BEEN WILLING TO ASSIST MY HUSBAND AND MYSELF, AND JUST HONEST, COMMON, EVERYDAY PEOPLE.

Q AND YOU HAD PAID OBLIGATIONS TO OTHER PEOPLE IN THE PAST WHICH HAD RESULTED IN THESE DEBTS?

A YES.

Q AS OF THAT PERIOD OF TIME, DID YOU CONSIDER ANY

EFFORTS UNDER WHICH -- STRIKE THAT. BEFORE I GET TO THAT:

WERE THERE ANY OBVIOUS WAYS IN WHICH A CONGRESSMAN OR A CONGRESSMAN'S WIFE COULD MAKE SUBSTANTIAL AMOUNTS OF MONEY TO PAY SUCH DEBTS?

A NOT REALLY.

Q WERE THERE RESTRICTIONS?

A YES. THERE WERE LAWS THAT PROHIBITED A CONGRESSMAN FROM HAVING OUTSIDE INCOME, AND THERE WERE RULINGS THAT WERE OCCURRING THAT PROHIBITED A MEMBER OF CONGRESS FROM GOING OUT AND EARNING CERTAIN SUMS OF MONEY.

Q WERE YOU AWARE OF DISCUSSIONS OR PLANS OF EFFORTS TO ATTEMPT TO SOLICIT FUNDS TO PAY THESE DEBTS?

A YES.

Q WERE YOU AWARE IN 1977 OF AN APPLICATION THAT YOUR HUSBAND HAD MADE TO THE FEDERAL ELECTION COMMISSION FOR A PROPOSAL UNDER WHICH CONTRIBUTIONS COULD BE SOLICITED TO PAY PERSONAL EXPENSES?

A YES. MY HUSBAND WAS ANXIOUS TO COMPLY WITH THE LAW, AND HE WROTE THE FEDERAL ELECTION COMMISSION A LETTER, ASKING IF HE COULD SOLICIT FUNDS TO PAY THESE DEBTS WHICH HAD BEEN INCURRED BY POLITICAL PROBLEMS.

Q AND WAS THAT LETTER, TO YOUR KNOWLEDGE, WRITTEN AS A RESULT OF CONSULTATIONS WITH ANY ATTORNEY?

A OH, YES.

Q SPECIFICALLY, DO YOU KNOW AN ATTORNEY BY THE NAME

OF JOHN RUNFT?

A YES, I DO. MR. RUNFT WAS MY HUSBAND'S ATTORNEY, AND HE CONFERRED WITH HIM.

Q HAD HE ALSO CONFERRED WITH YOU?

A YES. WE HAD DISCUSSED THIS.

Q WITH REGARD TO THAT APPLICATION MADE TO THE FEDERAL ELECTION COMMISSION, DID YOU BECOME AWARE OF WHAT THE RESULT WAS?

A I DON'T RECALL EXACTLY THE CONTENTS OF THE LETTER, BUT THE BOTTOM LINE WAS THAT IT'S O.K. AS LONG AS CERTAIN REQUIREMENTS ARE MET, AND AS LONG AS YOU COMPLY WITH THE LAW.

Q WAS THERE ALSO A REQUIREMENT THAT THE HOUSE ETHICS COMMITTEE APPROVE OF ANY SUCH SOLICITATION?

A THE HOUSE ETHICS COMMITTEE WERE CONSIDERING VARIOUS THINGS AT THAT TIME, AND THEY CAME DOWN WITH A RULING AND WROTE MY HUSBAND A LETTER TELLING HIM THAT HE COULD NOT SOLICIT FUNDS TO PAY THESE DEBTS, THAT A COMMITTEE COULD NOT RAISE FUNDS FOR HIM TO PAY THESE DEBTS, AND THAT HIS SPOUSE COULD NOT RAISE FUNDS TO PAY THESE DEBTS.

Q AND HOW DID YOU REACT TO THAT?

A WELL, MY HUSBAND ALLOWED ME TO READ THE LETTER, AND I THOUGHT, "WELL, THIS IS VERY STRANGE, THAT THE HOUSE ETHICS COMMITTEE WOULD TELL HIM THAT I CAN'T RAISE ANY FUNDS ON MY OWN. I'M NOT A MEMBER OF CONGRESS. WHY SHOULD THEY BE TELLING ME WHAT I CAN AND CAN'T DO FOR MY FAMILY?"

Q YOU FELT IT WAS A FAMILY PROBLEM?

A INDEED, I DID.

Q WHY DID YOU FEEL IT WAS A FAMILY PROBLEM?

A WELL, ANY DEBTS THAT MY HUSBAND OWED CERTAINLY WERE MY DEBTS, TOO. AND IF HE SHOULD HAVE DROPPED DEAD, THEY WOULD HAVE BEEN MY OBLIGATION.

Q DID YOU AROUND THAT PERIOD OF TIME HAVE ANY DISCUSSIONS WITH YOUR HUSBAND AND WITH MR. RUNFT ABOUT ANY PROCEDURE WHICH COULD BE UTILIZED UNDER IDAHO LAW TO MAKE YOU AN INDEPENDENT PERSON UNDER IDAHO LAW?

A YES, I DID.

Q AND COULD YOU JUST TELL US WHAT RESULTED FROM THOSE DISCUSSIONS.

A WELL, IT JUST APPEARED, AFTER TALKING TO MR. RUNFT, THAT THE BEST WAY TO HANDLE THIS AND PERHAPS THE ONLY WAY TO HANDLE IT WOULD BE FOR ME TO BECOME AN INDEPENDENT PERSON, TO HAVE A LEGAL SEPARATION OF PROPERTY, LIABILITIES, ASSETS AND SO FORTH.

Q HE EXPLAINED TO YOU THAT IF YOU DIDN'T HAVE THAT, THAT UNDER IDAHO LAW, YOU AND YOUR HUSBAND WERE SORT OF JOINTLY RESPONSIBLE AND ENTITLED TO ANY PROPERTY DURING YOUR MARRIAGE?

A YES.

Q AND HE EXPLAINED TO YOU THAT IF YOU HAD SUCH A SEPARATION AGREEMENT, THEN AT LEAST FOR LEGAL PURPOSES YOU WERE SEPARATE AND YOUR HUSBAND WAS CONSIDERED SEPARATE?

THE COURT: MR. LEWIN, MAY I SEE YOU UP HERE, PLEASE, AND OTHER COUNSEL.

(AT THE BENCH)

THE COURT: I NOTICED THERE WAS NO OBJECTION, AND I KIND OF LET IT GO ON, BUT YOU ARE ASKING VERY LEADING QUESTIONS, MR. LEWIN.

MR. LEWIN: ALL RIGHT.

THE COURT: THIS IS A FAIRLY CRITICAL WITNESS, I WOULD SUGGEST, AND IT MIGHT BE MORE APPROPRIATE IF SHE COULD TELL US IN HER OWN WORDS -- AND SHE WAS PARTICIPATING IN THESE ACTIVITIES, ACCORDING TO OTHER TESTIMONY THAT WE HAVE HEARD -- JUST WHAT HER POSITION OR UNDERSTANDING WAS.

MR. LEWIN: I'LL ASK HER THAT, YOUR HONOR. O.K.

THE COURT: FINE.

(END OF BENCH CONFERENCE)

BY MR. LEWIN:

Q COULD YOU JUST TELL US, MRS. HANSEN, WHAT YOUR UNDERSTANDING WAS OF THE EFFECT OF THIS SEPARATION OF PROPERTY AGREEMENT THAT MR. RUNFT HAD SUGGESTED TO YOU?

A I UNDERSTOOD THAT IT WOULD GIVE ME THE PREROGATIVE TO EARN, SOLICIT, TO BRING IN AN INCOME TO ASSIST IN TAKING CARE OF THE DEBTS.

Q AND IT WOULD DO SO FOR WHAT REASON? I MEAN WHAT WOULD LEGALLY BE HAPPENING AS A RESULT OF THIS AGREEMENT?

A WELL, THERE WOULD BE SOME HANDICAPS AS WELL AS ASSETS.

Q HANDICAPS AS A RESULT OF THE AGREEMENT?

A YES.

Q LIKE WHAT HANDICAPS WERE EXPLANIED TO YOU?

A OH, SUCH AS INHERITANCE, PAYMENTS HAVING TO DO WITH DEATH BENEFITS, AND SO FORTH.

Q IN OTHER WORDS, THAT YOU WOULD NOT BE ELIGIBLE FOR THOSE?

A RIGHT.

Q I SEE. BUT YOU SAY THAT THE BENEFIT WOULD BE THAT, WHAT? THAT YOU WOULD BE ABLE TO SOLICIT SEPARATELY?

A YES.

Q O.K. NOW, DID THAT SEPARATION OF PROPERTY AGREEMENT REQUIRE THAT THERE BE AN ALLOCATION OF PROPERTY THAT YOU AND YOUR HUSBAND HAD PREVIOUSLY OWNED TOGETHER?

A YES. MR. RUNFT WAS, I THINK, VERY CAREFUL AND VERY CAUTIOUS IN DRAWING UP THESE PAPERS. AND I HAD ULTIMATE CONFIDENCE IN HIM THAT HE WOULD DO IT IN A PROPER MANNER.

Q AND DID YOU RELY ON HIM AS THE AUTHORITY UNDER IDAHO LAW TO TELL YOU WHAT THE CONSEQUENCES WOULD BE OF THAT AGREEMENT?

A YES.

Q LET ME SHOW YOU WHAT IS IN EVIDENCE AS EXHIBIT 40, WHICH IS HEADED, "MEMORANDUM OF PROPERTY SETTLEMENT AGREEMENT", AND SPECIFICALLY DIRECT YOUR ATTENTION TO PAGE 8. AND I ASK YOU WHETHER THAT'S YOUR SIGNATURE ON PAGE 8?

A YES, IT IS.

Q AND DO YOU RECALL SIGNING THAT PROPERTY SETTLEMENT AGREEMENT?

A YES.

Q THE PROPERTY SETTLEMENT AGREEMENT IS DATED THE 30TH DAY OF SEPTEMBER, 1977. IS THAT APPROXIMATELY -- I'M NOT ASKING YOU TO RECALL THE EXACT DATE. IS THAT APPROXIMATELY, TO YOUR UNDERSTANDING, THE TIME WHEN YOU SIGNED IT?

A YES.

Q AND WAS MR. RUNFT THERE?

A I BELIEVE SO.

Q AND YOUR HUSBAND SIGNED IT, TOO?

A YES.

Q NOW, DID YOU AS A CONSEQUENCE OF HAVING AGREED THAT YOU WOULD SEPARATE THE PROPERTY CONDUCT A SOLICITATION CAMPAIGN?

A YES, I DID.

Q TO SOLICIT PRIVATE CONTRIBUTIONS?

A YES.

Q AND HOW WAS THAT DONE? I MEAN HOW DID YOU SOLICIT THESE CONTRIBUTIONS?

A IT WAS DONE THROUGH THE MAIL.

Q JUST BY WHAT'S CALLED A DIRECT MAIL --

A A DIRECT MAIL SOLICITATION PROGRAM.

Q AND CAN YOU TELL US THE COMPANY THAT DID THIS, ACTUALLY IMPLEMENTED THIS DIRECT MAIL SOLICITATION?

A YES. IT WAS MARTIN ADVERTISING.

Q AND THERE WAS A LETTER THAT WENT OUT, WAS IT SIGNED BY YOU?

A YES.

Q AND IT ASKED PEOPLE TO SEND IN FUNDS FOR THIS PURPOSE?

A YES.

Q WAS THAT DIRECT MAIL SOLICITATION SUCCESSFUL IN RAISING SOME FUNDS?

A YES, IT WAS.

Q DO YOU KNOW APPROXIMATELY HOW MUCH?

A OH, SOMEWHERE IN THE NEIGHBORHOOD OF $100,000.

Q AND THAT WAS -- THE DIRECT MAIL SOLICITATION WAS LIMITED TO CONTRIBUTIONS UNDER $100. IS THAT CORRECT?

A YES.

Q AND THE CONTRIBUTORS SPECIFICALLY SIGNED THAT THEY WERE GIVING IT FOR PERSONAL PURPOSES, THEY UNDERSTOOD THAT THEY WERE DOING?

A YES. THE LETTER PRETTY WELL DEFINED THAT.

Q O.K. AND THE SOLICITATION OF THESE FUNDS CONTINUED PAST INTO 1978, DIDN'T IT? I MEAN PAST 1977 AND INTO '78, THE MAILING AND RECEIPT OF THESE CONTRIBUTIONS?

A YES. IT CAME TRICKLING IN FOR A LITTLE WHILE.

Q NOW, LET ME GO FROM THE MATTER OF THIS PROPERTY

SETTLEMENT AGREEMENT REALLY TO SOMETHING THAT HAPPENED PRIOR TO THE PROPERTY SETTLEMENT AGREEMENT. AND I'M SPECIFICALLY REFERRING TO SOMETHING WHICH YOU KNOW YOU'VE BEEN ASKED ABOUT BEFORE, AND THAT IS -- LET ME CALL IT THE SOYBEAN TRANSACTION, JUST FOR SHORT. DO YOU RECALL AT SOME POINT HAVING MET AN INDIVIDUAL NAMED NELSON BUNKER HUNT?

A YES, I DO.

Q AND CAN YOU TELL US, MRS. HANSEN, WHAT YOUR PRESENT RECOLLECTION IS AS TO WHEN YOU MET MR. HUNT.

A OH, '76 OR SO. IT HAS BEEN A LONG TIME.

Q AND UNDER WHAT CIRCUMSTANCES DID YOU MEET HIM?

A AT A SOCIAL POLITICAL GATHERING.

Q AND DID YOU TALK TO HIM AT THAT TIME?

A YES. HE WAS AWARE OF THE POLITICAL SITUATION WITH MY HUSBAND, WITH THE WAYNE HAYS TO-DO THAT HAD HAPPENED EARLIER.

Q RIGHT. O.K. WAYNE HAYS WAS A CONGRESSMAN WHO HAD ATTACKED CONGRESSMAN HANSEN. IS THAT RIGHT?

A YES. MR. HAYS WAS CHAIRMAN OF THE DEMOCRATIC CAMPAIGN COMMITTEE IN 1974, AND HE WAS ALSO CHAIRMAN OF THE HOUSE ADMINISTRATION COMMITTEE.

Q AND MR. HUNT AND YOU TALKED, TO THE BEST OF YOUR RECOLLECTION, ABOUT MR. HAYS OR THAT KIND OF THING AT THE TIME?

A YES. WE TALKED ABOUT VARIOUS POLITICAL ISSUES.

I DON'T RECALL EVERYTHING WE DISCUSSED.

Q NOW, DID THERE COME A TIME IN 1977, MRS. HANSEN, WHEN, TO THE BEST OF YOUR RECOLLECTION, YOU HEARD ON THE TELEPHONE FROM MR. HUNT?

A I BELIEVE -- YES.

Q ARE YOU ABSOLUTELY SURE? I MEAN JUST GIVE US YOUR BEST RECOLLECTION. IF YOU'RE NOT REALLY SURE, TELL US YOU'RE NOT SURE.

A I REMEMBER HAVING A TELEPHONE CALL FROM HIM, AND HE WAS AWARE THAT I WAS TRYING TO FIND WAYS TO TAKE CARE OF THESE FAMILY DEBTS. AND HE HAD BEEN APPROACHED. I SUPPOSE HE GOT APPROACHED BY A LOT OF POLITICAL PEOPLE. BUT, ANYWAY, HE HAD GIVEN IT SOME THOUGHT AND WAS WILLING TO HELP.

Q AND HOW DID HE HELP? TO THE BEST OF YOUR RECOLLECTION, YOU SAY YOU THINK HE CALLED YOU, AND WHAT HAPPENED?

A HE TOLD ME PERHAPS THAT -- WELL, SOMETHING TO THE EFFECT THAT IF YOU GIVE A PERSON A FISH AND HE'LL EAT FOR A DAY, BUT YOU TEACH HIM TO FISH AND HE'LL EAT FOR HIS LIFE -- FOR THE REST OF HIS LIFE. AND I THINK HE WAS TRYING TO HELP ME TO GET INTO THE MARKET.

Q AND IN WHAT WAY? DID HE INTRODUCE YOU OR TELL YOU TO CALL ANYBODY OR BE CALLED BY ANYBODY? AGAIN, GIVE US YOUR BEST RECOLLECTION.

A HE TOLD ME -- I CAN'T REMEMBER IF HE TOLD ME THAT HE WOULD HAVE SOMEONE CONTACT ME OR IF HE TOLD ME TO CONTACT

A PERSON.

Q AND WHO WAS THAT PERSON?

A IT WAS A MAN BY THE NAME OF MR. NICHOLS IN CHICAGO.

Q AND, IN FACT, NOW, AS YOU SIT HERE TODAY ON THE WITNESS STAND, YOUR BEST RECOLLECTION, DO YOU RECALL SPEAKING TO MR. NICHOLS ON THE TELEPHONE?

A YES, I DO.

Q DO YOU RECALL HOW MANY TIMES YOU SPOKE TO MR. NICHOLS ON THE TELEPHONE?

A SEVERAL.

Q SEVERAL TIMES. YOU'RE SURE IT'S MORE THAN ONCE?

A YES.

Q AND COULD YOU TELL US, TO THE BEST OF YOUR RECOLLECTION, WHAT THE NATURE WAS OF THE CONVERSATIONS YOU HAD WITH MR. NICHOLS?

A WELL, I WAS INVESTING IN THE SOYBEAN MARKET, AND MR. NICHOLS WAS AN EXPERT IN THIS FIELD. AND THE TELEPHONE DISCUSSIONS WERE ABOUT WHAT WAS HAPPENING IN THE MARKET.

Q NOW, YOU SAY YOU WERE INVESTING IN SOYBEANS. YOU WERE INVESTING IN SOYBEANS BECAUSE MR. NICHOLS WAS SUGGESTNG TO YOU TO INVEST IN SOYBEANS; IS THAT RIGHT?

A RIGHT.

Q AND THAT WAS AT THE SUGGESTION OF MR. HUNT.

A THAT'S CORRECT.

Q DID YOU KNOW ANYTHING ABOUT THE SOYBEAN MARKET PRIOR

TO THAT TIME?

A NO.

Q DID YOU KNOW ANYTHING ABOUT THE FUTURE COMMODITIES MARKET PRIOR TO THAT TIME?

A NO.

Q O.K. BUT YOU RECALL HAVING HAD SEVERAL CONVERSATIONS WITH MR. NICHOLS ABOUT THESE SOYBEAN TRANSACTIONS.

A YES.

Q AND DO YOU RECALL, WAS HE TELLING YOU WHAT WAS HAPPENING WITH REGARD TO THESE VARIOUS TRANSACTIONS?

A YES.

Q AND DID YOU AGREE THAT HE SHOULD GO AHEAD, OR DID YOU DISAGREE, OR WHAT DID YOU DO?

A WELL, NOT BEING KNOWLEDGEABLE, I WAS TRUSTING HIM TO DO WHAT WAS BEST FOR ME.

Q O.K. AND COULD YOU TELL US WHAT THE RESULT WAS OF THESE VARIOUS TELEPHONE CONVERSATIONS THAT YOU HAD WITH MR. NICHOLS.

A WELL, THE RESULTS WERE THAT I TOOK A CONSIDERABLE LOSS.

Q DO YOU REMEMBER OFFHAND HOW MUCH?

A NO. I DON'T REMEMBER THE EXACT FIGURE.

Q O.K. BUT AS A CONSEQUENCE OF ALL THIS, YOU WERE TOLD THAT YOU OWED A SUBSTANTIAL AMOUNT OF MONEY.

A THAT IS CORRECT.

Q O.K. AND THEN WHAT DID YOU DO NEXT?

A WELL, I WONDERED, YOU KNOW, HOW I WOULD MEET THE OBLIGATION AND SO FORTH.

Q DID YOU GET A CALL FROM MR. HUNT?

A YES.

Q AND WHAT DID HE TELL YOU TO DO?

A HE SUGGESTED THAT I COME TO DALLAS AND HE WOULD CO-SIGN A NOTE TO HELP TAKE CARE OF THIS.

Q ALL RIGHT. AND WHAT DID YOU DO?

A I WENT TO DALLAS, WENT TO MR. HUNT'S OFFICE, AND HE PUT ME IN TOUCH WITH MR. HENRY. AND I SIGNED A NOTE, AND WENT FROM THERE TO CHICAGO AND WENT TO THE BROKERAGE HOUSE AND --

Q WELL, IT'S AN IMPORTANT THING. YOU SAY YOU SIGNED A NOTE. DID YOU GET SOMETHING WHEN YOU SIGNED THE NOTE?

A OH, YES. I GOT A CHECK.

Q DO YOU REMEMBER HOW MUCH THE CHECK WAS FOR?

A I BELIEVE IT WAS $50,000.

Q ALL RIGHT. NOW, WHAT DID YOU DO NEXT? YOU WENT FROM THERE -- FROM DALLAS, WHERE DID YOU GO?

A I WENT TO CHICAGO.

Q ALL RIGHT. WHY TO CHICAGO?

A WELL, THAT WAS WHERE THE BROKERAGE HOUSE WAS.

Q AND THAT'S WHERE YOU OWED THE MONEY, WHATEVER AMOUNT OF MONEY IT WAS.

A YES.

Q AND WHAT DID YOU DO IN CHICAGO?

A WELL, I WAS HOPING THAT I WOULD SEE MR. NICHOLS, BUT I DIDN'T SEE HIM. I GOT THERE LATE IN THE AFTERNOON, AND, TO THE BEST OF MY MEMORY, THE BROKERAGE HOUSE WAS MERGING WITH ANOTHER HOUSE THAT DAY. AND CHICAGO WAS A VERY BIG PLACE FOR ME TO BE, AND I WAS A LITTLE OVERWHELMED BY IT ALL. AND SOMEONE ELSE BESIDES MR. NICHOLS MET WITH ME.

Q AND WHAT DID YOU DO IN CHICAGO?

A I LEFT THEM A CHECK.

Q AND FROM THERE, WHERE DID YOU GO?

A CAME ON TO WASHINGTON.

Q O.K. WITH THE $50,000 CHECK.

A RIGHT.

Q AND WHAT DID YOU DO WITH THE $50,000 CHECK?

A THE CHECK WAS DEPOSITED.

Q DID YOU GIVE IT TO YOUR HUSBAND?

A I DON'T REMEMBER WHETHER I DID OR NOT. I SUPPOSE I MIGHT HAVE.

Q O.K. NOW, DID YOU UNDERSTAND AS A RESULT OF THAT TRANSACTION THAT YOU OWED $50,000 TO THE DALLAS NATIONAL BANK?

A YES.

Q AND, AS A MATTER OF FACT--YOU HAVE THAT DOCUMENT BEFORE YOU WHICH IS THE PROPERTY SETTLEMENT AGREEMENT. PAGE 6-A REFERS TO A LOAN FROM THE FIRST -- THESE ARE THE PROPERTIES

THAT GO TO YOU, OR THE OBLIGATIONS. A LOAN FROM THE FIRST NATIONAL BANK OF DALLAS, TEXAS, IN THE SUM OF $50,000. THAT WAS THAT OBLIGATION, WASN'T IT, AS A RESULT OF THAT NOTE?

A THAT'S CORRECT.

Q AND AS A RESULT OF THE PROPERTY SETTLEMENT AGREEMENT, YOU ASSUMED EXCLUSIVE --

MR. WEINGARTEN: EXCUSE ME. I'M GOING TO OBJECT TO THE FORM OF THESE QUESTIONS BASED ON THE COURT'S PRIOR RULING.

MR. LEWIN: O.K.

THE COURT: NONLEADING, MR. LEWIN, PLEASE.

MR. LEWIN: ALL RIGHT.

BY MR. LEWIN:

Q THAT WAS THAT OBLIGATION.

A THAT'S RIGHT.

Q O.K. AND WHAT DID YOU UNDERSTAND AS A RESULT OF THAT OBLIGATION BEING IN THERE UNDER THE LIST OF YOUR LIABILITIES?

A THAT IT WAS MY RESPONSIBLITY TO PAY IT.

Q AND YOU HAD SIGNED THE NOTE, ANYWAY.

A YES.

Q DID YOU RECEIVE NOTICES FROM THE BANK ASKING FOR INTEREST PAYMENTS?

A YES.

Q TO THE BEST OF YOUR RECOLLECTION, DID YOU MAKE ANY

INTEREST PAYMENTS?

A YES.

Q WERE THERE NOTES THAT ARRIVED AT A TIME WHEN YOU WERE UNABLE FINANCIALLY TO MAKE INTEREST PAYMENTS?

A YES.

Q DO YOU KNOW AT SOME POINT WHETHER A CALL WAS MADE BACK TO THE BANK REGARDING SOME OF THOSE REQUESTS FOR PAYMENT?

A YES. I'M CERTAIN THAT THAT HAPPENED.

Q AND DO YOU KNOW WHO MADE THE CALL BACK TO THE BANK TO RESPOND ON YOUR BEHALF?

A I BELIEVE MY HUSBAND DID.

Q DID YOU ASK HIM TO DO THAT?

A I THINK I DID.

Q NOW, JUST GOING BACK TO THE AGREEMENT ITSELF, AT ABOUT THE TIME OF THE AGREEMENT, IN JUNE OF 1977, WHEN YOU WERE TALKING ABOUT THE AGREEMENT, THERE WAS A LETTER THAT'S IN EVIDENCE -- WHAT NUMBER IS IT, PLEASE? 36. EXHIBIT 36 IN EVIDENCE IS A COPY OF A LETTER FROM WHICH ARE OMITTED CERTAIN THINGS THAT ARE IRRELEVANT TO THIS CASE. BUT IF YOU WILL JUST LOOK AT THE EXHIBIT 36, DO YOU RECOGNIZE THAT LETTER, 36 IN EVIDENCE?

A YES. I RECOGNIZE IT.

Q AND IS THAT YOUR SIGNATURE AT THE END OF THAT LETTER?

A YES, IT IS.

Q AND COULD YOU TELL US WHY THAT LETTER WAS WRITTEN AND WHAT IT IS?

A WELL, IT WAS THE LETTER THAT I WROTE TO THE CHAIRMAN OF THE HOUSE ETHICS COMMITTEE ADVISING HIM OF MY PLANS TO SOLICIT FUNDS AND RAISE MONEY TO HELP ERASE OUR FAMILY DEBTS.

Q AND IN WRITING THAT LETTER, DID YOU GET THE ASSISTANCE OF MR. RUNFT ON THE TELEPHONE?

A YES, I DID.

Q BUT THAT LETTER EXPRESSED YOUR OPINIONS AND YOUR VIEWS?

A EXACTLY.

Q AND THE FOLLOWING YEAR -- I WILL SHOW YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 39 IN EVIDENCE. THE FOLLOWING YEAR, IN MAY OF 1978, THERE WAS ANOTHER LETTER SIGNED BY YOU TO CONGRESSMAN PREYER. THAT'S MAY OF 1978. COULD YOU TELL THE COURT AND JURY WHAT THAT LETTER WAS ABOUT?

A IT WAS TO ADVISE THE CHAIRMAN THAT THE PROPERTY SETTLEMENT THAT I HAD WRITTEN TO HIM ABOUT EARLIER WAS DULY EXECUTED IN ACCORDANCE WITH IDAHO LAW.

Q AND DO YOU REMEMBER ANY ISSUE BEING RAISED IN MAY OF 1978 ABOUT WHETHER YOUR LOANS -- STRIKE THAT. LET ME GO BACK FOR A MOMENT.

THE FACT THAT YOU WERE RAISING FUNDS AND THAT YOU HAD SENT THESE LETTERS WAS ALL A MATTER OF SUBSTANTIAL PUBLIC ATTENTION BACK IN IDAHO, WASN'T IT?

A YES. WE GOT A LOT OF, I WOULD SAY ADVERSE PRESS AS A RESULT OF THIS.

Q DOES THE NAME "TIN CUP CONNIE" MEAN ANYTHING TO YOU?

A YES. THERE WAS AN ARTICLE BY COLUMNIST JACK ANDERSON, AND THOSE WERE THE HEADLINES. AND EVERYONE KNEW THAT GEORGE AND I WERE A HAPPILY MARRIED COUPLE, AND THERE WERE HEADLINES STATING THAT GEORGE AND CONNIE SPLIT, AND INDICATING THAT WE WERE DOING SOMETHING OTHER THAN JUST HAVING A FINANCIAL SETTLEMENT, A PROPERTY SETTLEMENT.

Q WHAT DOES "TIN CUP CONNIE" MEAN?

A WELL, AFTER YOU'VE BEEN IN POLITICS FOR A WHILE, YOU LEARN TO SORT OF TAKE A LOT OF THIS. BUT IT WAS INDICATING THAT I WAS LOOKING FOR A HANDOUT.

Q WITH A TIN CUP.

A RIGHT.

Q AND THAT'S THE WAY IT WAS REPORTED IN THE PRESS.

A THAT'S CORRECT.

Q AND THEN DO YOU RECALL IN MAY OF 1978 THAT THERE WAS A FUSS IN THE PRESS OVER THE FACT THAT YOUR OBLIGATIONS AND ANY INCOME THAT YOU HAD WAS NOT REPORTED BY THE CONGRESSMAN ON A HOUSE ETHICS FORM THAT THEN HAD TO BE SUBMITTED TO THE HOUSE COMMITTEE?

A YES.

Q AND WAS THIS LETTER IN RELATION TO THAT FUSS IN THE

PRESS?

A I BELIEVE SO.

Q O.K. LET'S GO FROM THERE, MRS. HANSEN, TO JANUARY OF 1979. THE CONGRESSMAN WAS REELECTED AGAIN IN 1978?

A YES.

Q AND CAME BACK TO SERVE AGAIN IN -- YOU WERE HERE AND YOU LIVED HERE, AND THE TERM WAS BEGINNING IN 1979. IN JANUARY OF 1979, WAS THERE ANOTHER TIME WHEN YOU HEARD FROM MR. HUNT IN SOME WAY?

A YES, I DID.

Q NOW, AGAIN, GIVE US YOUR BEST RECOLLECTION AS YOU ARE SITTING THERE, JUST WHAT YOU REMEMBER. WHAT DO YOU RECALL ABOUT THE EVENTS OF JANUARY 1979?

A WELL, HE WAS AWARE THAT THE DEBT STILL HAD NOT BEEN ERASED.

Q YOU STILL OWED THE MONEY UNDER THE ORIGINAL NOTE?

A YES.

Q O.K.

A AND HE WAS KIND ENOUGH TO CALL ME AND SUGGEST THAT I GET IN TOUCH WITH A MR. MING --

Q MING?

A MING, UH-HUH, M-I-N-G. AND THAT PERHAPS MR. MING COULD HELP ME IN ANOTHER MARKET TRANSACTION.

Q ALL RIGHT. NOW, TO THE BEST OF YOUR RECOLLECTION, DID YOU CALL MR. MING, OR DID MR. MING CALL YOU?

A I DON'T REMEMBER.

Q O.K. DO YOU REMEMBER HAVING CONVERSATIONS WITH MR. MING?

A YES, I DO.

Q O.K. COULD YOU TELL US WHAT YOU REMEMBER ABOUT THE CONVERSATIONS WITH MR. MING.

A WELL, MR. MING WAS VERY HELPFUL, AND I TOOK IT THAT HE WAS A VERY KNOWLEDGEABLE PERSON. HE KEPT ME ADVISED AS TO WHAT WAS HAPPENING IN THE MARKET. AND --

Q WHAT COMMODITY WERE YOU DEALING IN AT THIS TIME?

A IN THE SILVER MARKET.

Q O.K. AND YOU SAY HE KEPT YOU ADVISED?

A YES, HE DID.

Q DO YOU DISTINCTLY REMEMBER THAT HE WOULD CALL YOU REGULARLY ABOUT THAT?

A YES.

Q AND DID YOU IN THE CONVERSATIONS AGREE OR CONFIRM WHAT IT IS HE WAS DOING ON YOUR BEHALF?

A WELL, I KEPT TELLING HIM, "YOU'RE THE DOCTOR, YOU'RE THE EXPERT, AND I'M TRUSTING YOU TO DO WHAT'S BEST FOR ME."

Q O.K. AND DID YOU AUTHORIZE HIM TO SELL WHATEVER CONTRACTS HE HAD BOUGHT?

A YES.

Q AND, TO YOUR KNOWLEDGE, DID HE SELL WHATEVER SILVER CONTRACTS HE HAD BOUGHT?

A YES. TO THE BEST OF MY RECOLLECTION, I TOLD HIM TO DO WHAT WOULD BRING THE MOST INCOME IN TO ME.

Q O.K. AND AT THAT OCCASION, DID THAT REALIZE A PROFIT OR A LOSS?

A A PROFIT.

Q DO YOU RECALL APPROXIMATELY HOW MUCH THE PROFIT WAS?

A IT WAS SOMEWHERE IN THE NEIGHBORHOOD OF $87,000.

Q O.K. AND DO YOU RECALL THAT THERE WAS SOME NEED, IN ORDER TO RECOVER THAT PROFIT, FOR AN ARRANGEMENT TO BE MADE UNDER WHICH SOME MONEY WOULD GO TO MR. MING'S OFFICE -- OR NOT TO MR. MING'S OFFICE; TO THE CLEARING HOUSE OFFICE, I'M SORRY, BEFORE THE MONEY WOULD BE RELEASED?

A YES.

Q YOU RECALL THAT THAT WAS NECESSARY? HE EXPLAINED THAT TO YOU?

A YES.

Q DO YOU RECALL HOW THAT WAS ARRANGED?

A WELL, IT WAS ARRANGED THROUGH OUR ACCOUNTANT AND A BANK IN POCATELLO.

Q DID YOU PERSONALLY MAKE THOSE ARRANGEMENTS?

A NO, I DIDN'T. MY HUSBAND DID THAT.

Q DID YOU ASK HIM TO MAKE THOSE ARRANGEMENTS?

A YES. IT WAS SOMETHING THAT HAD TO BE DONE.

Q IN THE COURSE OF THE CONVERSATIONS YOU HAD WITH MR. MING, TO THE BEST OF YOUR RECOLLECTION, WAS THERE ANY TIME

THAT YOUR HUSBAND SPOKE WITH MR. MING

A I'M SURE THERE PROBABLY WERE TIMES WHEN THEY TALKED.

Q IN WHAT WAY? AND WHAT WOULD BE THE CIRCUMSTANCES UNDER WHICH HE MIGHT HAVE SPOKEN TO MR. MING?

A WELL, LOTS OF TIMES THERE WILL BE OCCASIONS WHEN I'M NOT FREE TO TALK ON THE PHONE OR MAYBE MY HUSBAND IS NOT FREE TO TALK; MAYBE ALL THE LINES WILL BE RINGING. AND I DID WANT MY HUSBAND TO TALK TO THIS MAN.

Q BECAUSE?

A HE WAS DEALING IN SOMETHING THAT AFFECTED ME, AND I --

Q SO YOU JUST WANTED TO INTRODUCE THEM?

A I WANTED THEM TO BE AWARE OF THAT THE OTHER ONE EXISTED.

Q DID MR. MING SEEM LIKE A HELPFUL, KIND INDIVIDUAL TO YOU?

A HE DID INDEED.

Q AND YOU SAY IN TERMS OF THE PHONES RINGING. I GUESS I HAVEN'T ASKED YOU SPECIFICALLY: WHAT DO YOU DO AS ADMINISTRATIVE ASSISTANT IN THAT OFFICE?

A JUST ABOUT EVERYTHING. ANSWER THE TELEPHONES, MAKE CERTAIN THAT THE MAIL IS ANSWERED, HELP PEOPLE WITH THEIR SOCIAL SECURITY PROBLEMS, VETERANS CASES.

Q SET UP APPOINTMENTS?

A YES.

Q THERE HAS BEEN SOME CONVERSATION -- TESTIMONY IN THIS COURTROOM ABOUT THE SECRETARY OF THE ARMY, FOR EXAMPLE. DOES THE SECRETARY OF THE ARMY CALL THE OFFICE?

A WELL, THE SECRETARY OF THE ARMY HAS CALLED THE OFFICE, AS HAVE MANY OTHER OFFICIALS. BUT THE SECRETARY OF THE ARMY HAS -- I GUESS IT'S SORT OF A PROCEDURE THAT THEY INVITE MEMBERS OF CONGRESS TO COME AND HAVE BREAKFAST OVER AT THE PENTAGON WEEKLY, AND THERE'S NO WAY A CONGRESSMAN COULD POSSIBLY ACCEPT ALL THESE INVITATIONS. AND MR. HANSEN HAS RECEIVED NUMEROUS INVITATIONS FROM THE SECRETARY OF THE ARMY TO HAVE BREAKFAST.

Q AND HE DOESN'T GO TO ALL THOSE BREAKFASTS.

A NO. HE DOESN'T EAT BREAKFAST.

Q O.K. IN TERMS OF MAKING APPOINTMENTS WITH PEOPLE SUCH AS AT THE LEVEL OF THE SECRETARY OF THE ARMY, IS THAT ROUTINE? I MEAN IS THAT DONE FOR CONSTITUENTS ALL THE TIME?

A VERY. MR. -- I MIGHT ADD THAT MR. HANSEN RECEIVES FILES, OR DRAWERS FULL OF INVITATIONS EVERY YEAR THAT ARE NOT ACCEPTED. THERE'S NO WAY YOU COULD EVER ACCEPT THEM ALL.

Q NOW, WITH REGARD TO THAT PROFIT ON THE SILVER TRANSACTION OF $87,000, YOU UNDERSTOOD THAT WHATEVER ARRANGEMENT WAS MADE WAS MADE AND THE FUNDS WERE DELIVERED; THE $87,000 WERE RELEASED. IS THAT CORRECT?

A THAT'S CORRECT.

Q AND WHAT DID YOU DO WITH THE $87,000 PROFIT YOU HAD

MADE?

A IT WAS DEPOSITED IN A BANK IN POCATELLO.

Q AND DO YOU KNOW WHO SPENT IT?

A IT WAS IN A JOINT ACCOUNT, AND MY HUSBAND PAID DEBTS WITH IT.

Q DID YOU AUTHORIZE HIM TO DO THAT?

A YES.

Q DID YOU UNDERSTAND THAT AS A RESULT OF THE PROPERTY SETTLEMENT ARRANGEMENT, YOU WERE FREE TO AUTHORIZE HIM TO USE ANY PROPERTY THAT YOU HAD GOTTEN?

A YES. WE DIDN'T GET A DIVORCE, SO THE MONIES WERE OURS.

Q AND WERE YOU TOLD BY MR. RUNFT WHAT RIGHTS YOU HAD TO THE MONEY THAT LEGALLY WAS ONLY YOURS?

A YES.

Q WERE YOU TOLD THAT YOU COULD GIVE IT TO YOUR HUSBAND IF YOU WANTED TO?

A YES.

MR. WEINGARTEN: EXCUSE ME. THE SAME --

THE COURT: MR. LEWIN, I HAVE ASKED YOU NOT TO ASK LEADING QUESTIONS OF THE WITNESS. PLEASE LET HER TELL US WHAT SHE KNOWS.

MR. LEWIN: O.K. BUT I'M JUST TRYING TO FOCUS ON PARTICULAR THINGS, YOUR HONOR.

THE COURT: YES. IT IS IMPORTANT THAT YOU ASK

NONLEADING QUESTIONS.

BY MR. LEWIN:

Q BY THE WAY, WITH REGARD TO THE PROPERTY SETTLEMENT, YOU'VE FILED JOINT TAX RETURNS SINCE THE PROPERTY SETTLEMENT AGREEMENT, HAVE YOU NOT?

A YES.

Q DID MR. RUNFT TELL YOU YOU COULD DO THAT?

A YES. MR. RUNFT KEPT US ADVISED.

Q WITH REGARD TO THAT $87,000 PROFIT, WAS THAT REPORTED ON YOUR TAX RETURN FOR THAT YEAR?

A YES.

Q NOW, LET ME TAKE YOU A LITTLE BIT FURTHER IN TIME, MRS. HANSEN, TO APRIL OF 1981, SPECIFICALLY TO THE RECEIPT OF WHAT HAS COME TO BE KNOWN AS THE BLACKMAIL LETTER. DO YOU REMEMBER THAT?

A I CERTAINLY DO.

Q WHY DO YOU REMEMBER THAT?

A IT WAS JUST INCONCEIVABLE THAT SUCH A THING COULD HAPPEN.

Q WERE YOU FRIGHTENED AS A RESULT OF IT IN ANY WAY?

A I CERTAINLY WAS.

Q WHY?

A WELL, IN THE FIRST PLACE, THE EXTORTION OR BLACKMAIL LETTER INDICATED THAT THERE WOULD BE VIOLENCE. AND WE HAVE BEEN OVER THE YEARS SUBJECTED TO A LOT OF THREATS. WE'VE BEEN

BURGLARIZED AND HARASSED IN A LOT OF DIFFERENT WAYS. AND I THOUGHT, "WHAT IS THIS?" I WAS SCARED.

Q DID YOU KNOW -- WERE YOU PRESENT WHEN THERE WAS A DISCUSSION ABOUT WHAT SHOULD BE DONE ABOUT THE BLACKMAIL LETTER?

A WELL, THERE WAS NO DOUBT IN MY MIND ABOUT WHAT SHOULD BE DONE ABOUT IT.

THE COURT: THE QUESTION WAS: WERE YOU PRESENT WHEN THERE WAS A DISCUSSION ABOUT THAT?

~~THE~~ WITNESS: OH. I'M SORRY.

BY MR. LEWIN:

Q WERE YOU PRESENT WHEN THERE WAS ANY DISCUSSION ABOUT IT?

A YES, I WAS PRESENT.

Q DID YOU DISCUSS IT WITH YOUR HUSBAND?

A YES.

Q AND WHAT WAS HIS IMMEDIATE REACTION TO IT?

A THAT WE MUST IMMEDIATELY GET THIS OVER TO THE FBI.

Q DID HE GO TO THE ATTORNEY GENERAL ABOUT THAT?

A YES, HE DID.

Q DID HE CALL THE ATTORNEY GENERAL, TO YOUR KNOWLEDGE?

A YES.

Q JUST WITH REGARD TO YOUR RECOLLECTION OF THAT DAY, DO YOU REMEMBER THE VARIOUS ATTORNEYS COMING FROM OUT OF TOWN AND MEETING IN THE OFFICE AND THEN GOING TO THE ATTORNEY GENERAL?

A YES. IT WAS KIND OF A BUSY TIME.

Q DO YOU REMEMBER WHAT HAPPENED ON THAT DAY? I MEAN YOU DIDN'T GO TO THE ATTORNEY GENERAL YOURSELF.

A NO, I DIDN'T.

Q TELL US WHAT HAPPENED WHEN THE ATTORNEYS CAME BACK.

Q FROM --

Q THE ATTORNEY GENERAL.

A I DON'T RECALL EVERYTHING THAT TOOK PLACE, BUT I DO KNOW THEY CAME BACK AND THEY TOLD ME THAT THEY HAD, YOU KNOW, TURNED THE LETTER OVER TO THE ATTORNEY GENERAL AND THAT THEY WOULD, I SUPPOSE, TAKE ACTION.

Q DID THE FBI COME OVER TO THE OFFICE THAT AFTERNOON?

A YES.

Q DID THEY COME TO THE OFFICE AGAIN THE NEXT DAY?

A I BELIEVE SO.

Q WHAT ABOUT YOURSELF? WERE YOU QUESTIONED ON THAT DAY, OR THE NEXT DAY?

A I WAS.

Q WHAT HAPPENED? JUST DESCRIBE WHAT --

A WELL, AS I READ THE LETTER, I THOUGHT, "THIS IS INCREDIBLE, THAT SOMEONE WOULD BE INTO OUR BUSINESS AND WOULD BE THREATENING SOMEONE." AND THE FIRST THING THAT OCCURRED TO ME WAS: IS ANYONE LOOKING AFTER MY SAFETY AND WELFARE.

AND WHEN I WAS INTERVIEWED BY THE FBI, YOU KNOW, I THOUGHT, WELL, HERE ARE THESE -- I HAD THE GREATEST RESPECT

FOR THE FBI.

MR. WEINGARTEN: EXCUSE ME. MAY WE APPROACH THE BENCH?

THE COURT: ALL RIGHT.

(AT THE BENCH)

MR. WEINGARTEN: THIS IS WHOLLY IRRELEVANT. I OBJECT TO THIS EVIDENCE, UNLESS WE HAVE A PROFFER FROM MR. LEWIN.

MR. LEWIN: YOU KNOW, IF I ASK A QUESTION THAT'S DIRECTED TO SOMETHING SPECIFIC, I'M TOLD I'M LEADING; IF I ASK THE WITNESS TO PLEASE DESCRIBE WHAT HAPPENED, MR. WEINGARTEN SAYS HE DOESN'T LIKE THE ANSWER.

I AM ASKING HER WHAT HAPPENED THAT AFTERNOON, SO THE WITNESS IS TELLING US HER MENTAL REACTIONS IN TERMS OF THE FBI, I SUPPOSE IN TERMS OF LEADING INTO WHAT HAPPENED.

MR. WEINGARTEN: HOW IS THAT RELEVANT?

MR. LEWIN: BECAUSE I THINK THE REACTIONS TO THE BLACKMAIL AND WHAT HAPPENED THAT AFTERNOON HAVE BEEN RULED BY HER HONOR TO BE RELEVANT.

THE COURT: AS TO HIS INTENT.

MR. LEWIN: YES.

THE COURT: NOT, OF COURSE, AS TO MRS. HANSEN'S INTENT.

MR. WEINGARTEN: THE FBI INTERVIEW IS TOTALLY IRRELEVANT.

MR. LEWIN: ALL RIGHT. IF IT'S IRRELEVANT, I WILL ACCEPT THAT, AND THEN MR. WEINGARTEN OUGHT NOT TO BE ABLE

TO INQUIRE WITH HER WITH REGARD TO ANY FBI INTERVIEWS CONDUCTED ON THAT DAY. I WILL AGREE. LET'S ACCEPT THAT.

MR. WEINGARTEN: EXCEPT TO IMPEACH HER.

MR. LEWIN: OH, IF YOU ARE GOING TO INQUIRE OF HER ABOUT FBI INTERVIEWS --

THE COURT: KEEP YOUR VOICE DOWN. YOU HAVE A GOOD COURTROOM VOICE, BUT IT DOES PROJECT.

MR. LEWIN: SHE WAS ASKED ABOUT THESE EVENTS BY THE FBI. MR. WEINGARTEN SURELY KNOWS, AS HE IS STANDING THERE AND HAS A LITTLE SMILE ON HIS FACE, THAT HE WAS GOING TO INQUIRE TO HER AS TO THE STATEMENTS SHE MADE TO THE FBI ON THAT DAY. AND I AM ENTITLED, I THINK, TO ASK HER ABOUT THE CIRCUMSTANCES OF THAT INTERVIEW.

THE COURT: IF YOU ARE GOING TO INQUIRE AS TO THE INTERVIEW.

MR. WEINGARTEN: I HAVE NO SUCH INTENTION, SO MR. LEWIN WAS SEEING A LITTLE SMILE THAT WAS NONEXISTENT.

THE COURT: MR. LEWIN, IF HE DOES INQUIRE, OBVIOUSLY YOU WILL HAVE A CHANCE TO COME BACK, SINCE HE SAYS HE HAS NO SUCH INTENTIONS.

MR. LEWIN: ALL RIGHT. FINE.

THE COURT: ALL RIGHT, GENTLEMEN. BUT, MR. LEWIN, YOU KNOW, WE'VE GOT 20 MORE MINUTES, 25 MORE MINUTES THIS MORNING TO SIT ON THIS, BUT I DO ASK -- I DON'T WANT TO KEEP INTERRUPTING. IT IS OBVIOUSLY A MANNER OF MOVING ALONG A

CASE, WHEN FOCUSING, AS YOU PUT IT, BUT SOMETIMES IT'S A LITTLE MORE THAN FOCUSING. SHE SAYS "FBI" AND YOU RIGHT AWAY SAY "DID YOU GO TO THE ATTORNEY GENERAL?" IF SHE DOESN'T KNOW, SHE DOESN'T KNOW. BUT I THINK IT'S IMPORTANT THAT WE ALL KNOW HOW MUCH SHE KNOWS INDIVIDUALLY, NOT WHAT HER ATTORNEY IS TELLING HER.

SO, I REALLY DON'T WANT TO HAVE TO INTERRUPT YOU. I THINK THAT IS UNSEEMLY, AND I TRY NOT TO. THERE HAVE BEEN MANY TIMES I COULD HAVE. BUT, PLEASE, PLEASE, I CERTAINLY AM ASKING THAT YOU DO IT IN A NONLEADING MANNER. I UNDERSTAND ALSO THAT IS WHAT GOOD GOVERNMENT COUNSEL IS ASKING.

SO, I AGREE YOU HAVE TO HAVE A CHANCE TO LET HER TELL US IN HER OWN WORDS SOME OF THESE MATTERS, PROVIDED IT IS RELEVANT.

MR. WEINGARTEN: WHEN WERE WE GOING TO BE BACK THIS AFTERNOON? 2:30, DID YOU SAY, OR 3:00?

THE COURT: I'M GOING TO TELL THE JURY 3:00. I HOPE I'M BACK AT QUARTER OF OR TWENTY OF. BUT I AM SAYING 3:00 TO BE ON THE SAFE SIDE.

MR. WEINGARTEN: HOW LONG ARE YOU GOING TO BE?

MR. LEWIN: I'LL BE FINISHED IN ABOUT TWO MINUTES.

THE COURT: OH, REALLY? ALL RIGHT. THEN YOU ARE GOING TO START FOR A FEW MINUTES. ALL RIGHT. I THOUGHT IT WAS GOING TO BE LONGER.

(END OF BENCH CONFERENCE)

BY MR. LEWIN:

Q IN ANY EVENT, YOU WERE INTERVIEWED BY THE FBI THAT FOLLOWING DAY?

A YES.

Q DID THE FBI DO ANYTHING OTHER THAN INTERVIEW YOU?

A THEY FINGERPRINTED ME.

Q ONE OTHER SUBJECT I WOULD LIKE TO ASK YOU ABOUT, MRS. HANSEN. IN NOVEMBER OF 1981, DO YOU RECALL THAT YOU TRAVELED WITH CONGRESSMAN HANSEN TO THE TIP OF VIRGINIA, NORTHERN VIRGINIA, TO SEE A MR. MEADE?

A YES.

Q AND DO YOU RECALL WHAT DAY OF THE WEEK YOU TRAVELED?

A IT WAS A SATURDAY, A BEAUTIFUL FALL AFTERNOON.

Q AND HOW MUCH TIME DID YOU SPEND THERE?

A WE SPENT THE NIGHT.

Q SATURDAY NIGHT?

A MM-HM. AND SUNDAY.

Q AND YOU MET MR. AND MRS. MEADE?

A AND THEIR FAMILY.

Q AND DURING THAT MEETING, WAS THERE A TIME WHEN THE CONGRESSMAN AND MR. MEADE SPOKE PRIVATELY?

A YES, THEY DID. THEY SPOKE -- MRS. MEADE AND I SAT IN THE LIVING ROOM AND VISITED, AND THEY SAT OFF IN THE DEN AND VISITED.

Q AND WHAT, TO YOUR UNDERSTANDING, WAS THE PURPOSE OF THE TRIP DOWN TO VIRGINIA?

A MR. HANSEN WANTED TO DISCUSS WITH MR. MEADE SOME PROJECTS HE WAS WORKING ON.

Q WHICH PROJECTS, SPECIFICALLY?

A WELL, THE BOOK HE WAS WRITING, AND THE ASSOCIATION OF CONCERNED TAXPAYERS PROJECT.

Q THE ASSOCIATION FOR CONCERNED TAXPAYERS PROJECT.

A RIGHT.

Q AND THAT WAS THE PURPOSE OF YOUR GOING DOWN FOR THAT VISIT DOWN IN VIRGINIA?

A YES.

MR. LEWIN: THANK YOU. I HAVE NO FURTHER QUESTIONS.

THE COURT: CROSS-EXAMINATION. LET'S BEGIN, EVEN IF WE MAY OR MAY NOT COMPLETE IT THIS MORNING.

CROSS-EXAMINATION

BY MR. WEINGARTEN:

Q MRS. HANSEN, GOOD MORNING.

A HELLO.

Q MRS. HANSEN, YOU TESTIFIED THAT IN RESPONSE TO CERTAIN RULINGS OF THE HOUSE ETHICS COMMITTEE, YOU AND YOUR HUSBAND ENTERED INTO A PROPERTY SEPARATION AGREEMENT. IS THAT CORRECT?

A YES.

Q IS IT A FAIR STATEMENT THAT THE ONLY PURPOSE FOR THE PROPERTY SEPARATION AGREEMENT WAS TO MEET OR GET AROUND THOSE HOUSE RULINGS? IS THAT A FAIR STATEMENT?

A NO.

Q WELL, WHAT WAS THE PURPOSE IF IT WAS NOT TO ALLOW YOU TO RAISE FUNDS?

A WOULD YOU REPEAT YOUR QUESTION?

Q IS IT A FAIR STATEMENT THAT THE ONLY REASON DEFENSE EXHIBIT 40 CAME INTO BEING WAS TO ALLOW YOU TO GO OUT AND RAISE MONEY?

A WE HAD THE PROPERTY SETTLEMENT SO IT WOULD ALLOW ME TO BE FREE TO SOLICIT FUNDS.

Q AND THAT CAME AFTER THE HOUSE TOLD YOU AND TOLD YOUR HUSBAND THAT YOU WERE NOT PERMITTED TO RAISE FUNDS ON HIS BEHALF.

A I HADN'T ASKED THE HOUSE ETHICS COMMITTEE IF I COULD RAISE FUNDS.

Q WELL, CERTAINLY CONGRESSMAN HANSEN HAD.

A THE HOUSE ETHICS COMMITTEE CAME UP WITH A RULING; I'M NOT CERTAIN UNDER WHAT AUSPICES.

Q WELL, THE RULING SAID, DID IT NOT, THAT NEITHER A HUSBAND WHO WAS A CONGRESSMAN NOR THE CONGRESSMAN'S WIFE IS ALLOWED TO RAISE MONEY THROUGH A MASS MAILING FOR THE HUSBAND?

A I DON'T THINK THEY SAID ANYTHING ABOUT A MASS MAILING.

Q ALL RIGHT. WOULD IT HELP IF I SHOWED YOU THE RULING?

A POSSIBLY.

MR. WEINGARTEN: MAY I HAVE DEFENSE EXHIBIT NO. 1?

MR. LEWIN: I THINK IT'S DEFENDANT'S EXHIBIT NO. 35.

BY MR. WEINGARTEN:

Q ADVISORY OPINION NO. 4 ON PAGE 159, DEFENSE EXHIBIT NO. 1. WILL YOU PLEASE READ TO THE JURY WHAT THE SUBJECT OF THAT --

MR. LEWIN: YOUR HONOR, MAY WE APPROACH THE BENCH?

THE COURT: ALL RIGHT.

(AT THE BENCH)

MR. LEWIN: MR. WEINGARTEN WELL KNOWS THAT IT IS NOT ADVISORY OPINION NO. 4 WHICH WAS THE RESPONSE, BUT ADVISORY OPINION NO. 11, WHICH IS THE ADVISORY OPINION --

THE COURT: COULD I SEE NO. 4 AND 11, SO THAT I CAN -- I KNOW WE HAVE TALKED ABOUT BOTH. WE HAVE ALSO TALKED ABOUT 12.

MR. LEWIN: THAT'S THE ONE THAT WAS INTRODUCED IN EVIDENCE.

THE COURT: WE ALSO HAD THIS BOOK.

MR. LEWIN: I UNDERSTAND. THIS REFERS TO ADVISORY OPINION NO 4 WHICH HAD BEEN ISSUED PREVIOUSLY, BUT THE ONE THAT REFERS TO THE CONGRESSMAN WAS ADVISORY OPINION NO. 11, AND THAT IS NOT A MASS MAILING. IT IS A MISLEADING QUESTION, AND I OBJECT TO IT.

THE COURT: "THE SELECT COMMITTEE STATED IN ADVISORY OPINION NO. 4 THAT MASS MAILING CONSTITUTED A

FUND-RAISING EVENT FOR THE PURPOSE," SO AND SO, "AND CONCLUDED NEITHER A MEMBER NOR HIS SPOUSE COULD DIRECTLY SOLICIT FUNDS FOR PERSONAL USE BY A FUND-RAISING TECHNIQUE SUCH AS A MASS MAILING." THAT ADVISORY OPINION NO. 11 SAYS WHAT ADVISORY OPINION NO. 4 SAYS.

MR. LEWIN: THAT'S RIGHT.

THE COURT: NOW, WHAT IS THE PROBLEM, THEN?

MR. LEWIN: THE PROBLEM IS THAT MR. WEINGARTEN ASKED MRS. HANSEN WHETHER IT WAS NOT TRUE THAT THE ANSWER TO CONGRESSMAN HANSEN'S LETTER SAID THAT THERE COULD NOT BE A MASS MAILING. SHE SAID NO, SHE DIDN'T BELIEVE IT WAS. AND HE APPROACHED HER AND SAID, "LOOK, LET ME SHOW YOU ADVISORY OPINION NO. 4," AS IF ADVISORY OPINION NO. 4 WAS THE ONE WHICH WAS THE ANSWER TO THE CONGRESSMAN'S LETTER. ADVISORY OPINION NO. 11, ADVISORY OPINION NO. 11 TALKS ABOUT FUND-RAISING EVENTS SPONSORED BY AN INDEPENDENT GROUP OR COMMITTEE FOR THE UNRESTRICTED PERSONAL USE OF A MEMBER, AND NOT ABOUT A MASS MAILING.

THE COURT: BUT DOES, IN ADVISORY OPINION NO. 11, IN THE FIRST PARAGRAPH UNDER "BACKGROUND AND DISCUSSION" SAY WHAT I HAVE JUST READ FROM IT ABOUT ADVISORY OPINION NO. 4.

MR. LEWIN: IF MR. WEINGARTEN --

THE COURT: ALL RIGHT. I UNDERSTAND THE POINT YOU ARE MAKING. NOW.

MR. WEINGARTEN: IF THE COURT WOULD JUST LOOK AT

ADVISORY OPINION NO 4, I THINK IT WILL BE PATENTLY CLEAR THAT IS PRECISELY WHAT THE HANSENS WANTED TO DO.

THE COURT: NUMBER 4. "SUBJECT: UNDER HOUSE RULES, MAY A MEMBER OF THE HOUSE OR THE SPOUSE OF A MEMBER SOLICIT CASH GIFTS OF LESS THAN $100 FOR PERSONAL USE THROUGH A DIRECT MASS MAILING?"

MR. LEWIN: THAT'S RIGHT.

MR. WEINGARTEN: THAT IS EXACTLY --

THE COURT: YOUR QUESTION WAS SPECIFICALLY -- AND I THINK THE DIFFICULTY THAT MR. LEWIN IS HAVING IS THAT HE IS AFRAID THERE IS AN IMPLICATION THAT THAT PARTICULAR RULING AT THE TIME THAT IT WAS WRITTEN, NO, 4, WAS IN RESPONSE TO AN INQUIRY BY CONGRESSMAN HANSEN. IS THAT YOUR PROBLEM?

MR. LEWIN: THAT'S EXACTLY RIGHT. THAT IS THE QUESTION MR. WEINGARTEN ASKED.

MR. WEINGARTEN: I THOUGHT I CLEARED THAT UP VERY NICELY.

THE COURT: SINCE THAT IS THE ONLY PROBLEM, AS I UNDERSTAND IT, SINCE THERE IS A 4 AND AN 11 --

MR. LEWIN: THERE'S A 4 AND 11, BUT TO SAY TO MRS. HANSEN --

THE COURT: WE UNDERSTAND THE PROBLEM. AND I THINK IT CAN BE REPHRASED AND AN ANSWER GOTTEN ONE WAY OR THE OTHER.

(END OF BENCH CONFERENCE)

THE COURT: MRS. HANSEN, IF YOU WILL COME BACK, I THINK IT CAN READILY BE CLARIFIED. THANK YOU.

BY MR. WEINGARTEN:

Q MRS. HANSEN, JUST SO WE ARE CLEAR ON THIS, IN AN EFFORT TO AUTHORIZE A FUND-RAISING EFFORT ON YOUR PART AND ON THE CONGRESSMAN'S PART, CERTAIN EFFORTS WERE MADE, WERE THEY NOT?

A YES.

Q YOU WENT TO THE FEDERAL ELECTION COMMISSION.

A MY HUSBAND WENT TO THE FEDERAL ELECTION COMMISSION.

Q ALL RIGHT. AND THE FEDERAL ELECTION COMMISSION -- AND I JUST WANT TO SUMMARIZE FOR PURPOSES OF SAVING TIME -- SAID "THIS IS NOT AN ELECTION MATTER; WE HAVE NO JURISDICTION OVER THIS. SO AS FAR AS WE'RE CONCERNED, IT'S NOT OUR BUSINESS." IS THAT A FAIR STATEMENT?

A I DON'T RECALL THE LETTER.

Q YOU ALSO WENT TO THE HOUSE ETHICS COMMITTEE. IS THAT CORRECT?

A MY HUSBAND DID.

Q YOUR HUSBAND WENT TO THE HOUSE ETHICS COMMITTEE. AND HE REQUESTED PERMISSION FROM THE HOUSE ETHICS COMMITTEE TO DO WHAT, MA'AM?

A TO FIND A WAY TO ERASE THE DEBT.

Q AND WHILE HE HAD MADE THAT REQUEST, A RULING CAME DOWN BY THE HOUSE ETHICS COMMITTEE THAT NEITHER A HUSBAND NOR A WIFE COULD RAISE FUNDS THROUGH A DIRECT MAILING. IS

THAT CORRECT?

A I'M NOT FAMILIAR WITH THAT.

Q DID YOU EVER HAVE AN OCCASION TO REVIEW THE RULINGS OF THE HOUSE ETHICS COMMITTEE?

A I HAVE READ VARIOUS THINGS THAT HAVE COME FROM THE HOUSE ETHICS COMMITTEE. THE REASON THAT THEIR RULING CAME ABOUT IN THE FIRST PLACE WAS BECAUSE A CONGRESSMAN HAD TAKEN $90,000 OF CAMPAIGN DEBTS TO PAY PAST ALIMONY, AND THERE HAD BEEN A LOT OF CONTROVERSY OVER THAT.

Q WELL, DID THAT HAVE ANYTHING TO DO WITH THE MASS MAILING THAT WE ARE TALKING ABOUT HERE?

A WELL, SEE, WHEN I WROTE THEM THE LETTER TELLING THEM THAT I PLANNED TO GO OUT ON MY OWN AND RAISE MONEY, THAT I FELT THAT IT WAS A VIOLATION OF MY CIVIL RIGHTS AND A VIOLATION OF MY RIGHTS AS A WIFE AND A MOTHER, I RECEIVED A LETTER FROM MR. PREYER TELLING ME TO GO AHEAD; THAT HE DID NOT INTEND TO VIOLATE MY RIGHTS.

Q YOU RECEIVED A LETTER FROM MR. PREYER THAT SAID "GO AHEAD", MRS. HANSEN?

A . YES.

Q WE'LL GET TO THAT IN A SECOND.

BEFORE YOU SENT THAT LETTER, THOUGH, THERE WERE TWO RULINGS DIRECTLY ON POINT AS TO WHAT YOU WERE PROPOSING TO DO, OR THE CONGRESSMAN HAS PROPOSING TO DO, WERE THERE NOT?

A I'M NOT SURE HOW MANY RULINGS THERE WERE, BUT I WAS NOT SUBJECT TO THOSE RULINGS BECAUSE I WAS NOT A MEMBER OF THE HOUSE OF REPRESENTATIVES.

Q MRS. HANSEN, WASN'T THERE A RULING, ADVISORY OPINION NO. 4, THAT SAID -- AND PERHAPS I SHOULD READ IT. "THE FINAL QUESTION CONCERNS THE PROPRIETY OF A SPOUSE RAISING FUNDS THROUGH MASS MAIL SOLICITATION FOR THE BENEFIT OF THE MEMBER. WHILE THE SELECT COMMITTEE RECOGNIZES THE BASIC INDEPENDENCE OF THE SPOUSE, THE SPOUSE UNDER THESE CIRCUMSTANCES WOULD BE ACTING ESSENTIALLY ON BEHALF OF THE MEMBER. THUS, THE MEMBER WOULD BE CONDUCTING INDIRECTLY THE VERY ACTIVITIES HE WOULD BE PROHIBITED FROM ENGAGING IN DIRECTLY. CONSEQUENTLY, THE MASS MAIL SOLICITATION OF FUNDS BY A SPOUSE FOR A MEMBER'S USE ALSO APPEARS TO VIOLATE THE SPIRIT OF HOUSE RULES."

NOW, THAT STOOD IN YOUR WAY, DID IT NOT, TO GOING OUT AND RAISING MONEY?

A I WAS UNDER CLOSE CONTACT WITH OUR ATTORNEY, MR. RUNFT, AND THOSE DEBTS WERE MY DEBTS, AS WELL.

Q WELL, MRS. HANSEN, WE'LL GET TO THAT. I WILL GIVE YOU EVERY OPPORTUNITY TO TALK ABOUT THAT. BUT IS IT NOT TRUE THAT PRIOR TO THE PROPERTY SEPARATION AGREEMENT THAT WAS DRAFTED BY YOUR ATTORNEY, YOU HAD THE PROBLEM OF ADVISORY OPINION NO. 4, WHICH SAID YOU COULDN'T AND NEITHER COULD YOUR HUSBAND GO OUT AND SOLICIT MONEY?

A MR. WEINGARTEN, I AM NOT FAMILIAR WITH ALL THESE TECHNICAL LAWS. I AM NOT A LAWYER, AND THAT'S WHY I HAVE HAD LEGAL COUNSEL.

Q ALL RIGHT. JUST SO WE CAN MOVE ON: IS IT TRUE OR NOT TRUE THAT THE SOLE PURPOSE OF DEFENSE EXHIBIT NO. 40 --

A YOU'RE PUTTING WORDS IN MY MOUTH. THAT'S NOT SO.

THE COURT: MA'AM, HE HASN'T FINISHED HIS QUESTION. GIVE HIM A CHANCE TO FINISH HIS QUESTION, AND THEN YOU CAN RESPOND, OF COURSE.

BY MR. WEINGARTEN:

Q IS IT TRUE OR NOT TRUE THAT THE ONLY PURPOSE FOR THE EXISTENCE OF DEFENSE EXHIBIT NO. 40 WAS TO GET AROUND THE RULINGS CONTAINED IN THIS BOOK?

A NO, I WASN'T TRYING TO GET AROUND ANYTHING.

Q NOW, THE PROPERTY SEPARATION AGREEMENT, DEFENSE EXHIBIT 40, PURPORTS TO SEPARATE PROPERTY BETWEEN YOU AND YOUR HUSBAND. IS THAT CORRECT?

A THAT'S CORRECT.

Q YOU GET, I THINK, THE REALTY, HE GETS MORTGAGES. IS THAT SO DESIGNATED?

A THERE'S QUITE A COMBINATION OF ITEMS THERE.

Q WELL, CAN YOU SUMMARIZE WHAT IS CONTAINED THEREIN?

A OH, I SUPPOSE I COULD.

Q WOULD YOU PLEASE DO THAT? JUST SUMMARIZE WHAT CATEGORIES OF PROPERTY WERE TO BE PLACED IN YOUR NAME AND

WHAT CATEGORIES OF PROPERTY WERE TO BE PLACED IN YOUR HUSBAND'S NAME.

A WHERE WOULD YOU LIKE FOR ME TO START?

Q WITH THE PROPERTY. LET'S TALK ABOUT THE REAL ESTATE THAT YOU AND YOUR HUSBAND OWNED AT THAT TIME. HOW MUCH REAL ESTATE IS REPRESENTED ON THAT DOCUMENT?

A I'M NOT SURE.

Q WELL, PERHAPS I CAN DIRECT YOUR ATTENTION TO PAGE NO. 3 AND PAGE NO. 4. OR PERHAPS START AT PAGE 2.

DOES PARAGRAPH 3 NOT SAY: "FROM THE COMMUNITY PROPERTY OF THESE PARTIES, THE WIFE SHALL HAVE AS HER SOLE AND SEPARATE PROPERTY, FREE AND CLEAR OF ANY RIGHT, TITLE AND INTEREST OF THE HUSBAND, THE FOLLOWING ITEMS," AND THEN IT LISTS SOME REAL ESTATE. IT LISTS REAL ESTATE IN ARLINGTON, VIRGINIA, VALUED $155,800; PROPERTY IN ARKANSAS VALUED AT $27,000, AND PROPERTY IN IDAHO VALUED AT $125,000?

A WHICH PAGE ARE YOU ON?

Q I STARTED -- PARAGRAPH 3 OF THE PROPERTY SEPARATION AGREEMENT, ON PAGE 2, EXTENDING OVER TO PAGE 3.

A O.K.

Q I GUESS THE QUESTION IS THIS, MRS. HANSEN: THAT DOCUMENT PURPORTS, DOES IT NOT, TO GIVE YOU SOLE RIGHT, TITLE AND INTEREST OF THREE PIECES OF PROPERTY: PROPERTY IN ARLINGTON, PROPERTY IN ARKANSAS, AND PROPERTY IN IDAHO.

A YES.

Q MRS. HANSEN, WAS TITLE TO THAT PROPERTY EVER TRANSFERRED TO YOUR NAME?

A NO. I DON'T THINK SO.

Q IT REMAINED IN BOTH NAMES.

A RIGHT.

Q THE DOCUMENT PURPORTS TO PLACE MORTGAGES IN THE NAME OF GEORGE HANSEN SOLELY, OUTSIDE OF YOU, DOES IT NOT?

A I BELIEVE SO.

Q WELL, LOOK AT PARAGRAPH 4. DOES IT NOT SAY: "FROM THE COMMUNITY DEBTS, THE HUSBAND SHALL ASSUME AS HIS SOLE AND SEPARATE DEBTS, FROM WHICH THE WIFE SHALL BE FREE OF ANY LIABILITY OR OBLIGATION, THE FOLLOWING ITEMS", AND IT LISTS THE MORTGAGE ON YOUR PROPERTY IN ARLINGTON FOR $105,000, MORTGAGE IN ARKANSAS FOR OVER $3,000, MORTGAGE IN IDAHO FOR OVER $80,000.

A MR. RUNFT TOOK CARE OF THIS, AND--

Q WELL, SURELY YOU WERE AWARE THAT THIS WAS GOING ON.

A WELL, ABSOLUTELY, I WAS AWARE.

Q ALL RIGHT. WERE THESE DEBTS, THESE MORTGAGES, EVER TRANSFERRED FROM BOTH YOUR NAMES TO JUST YOUR HUSBAND'S NAME?

A WELL, SOME OF THE PROPERTY HAS BEEN SOLD SINCE THAT TIME.

Q ALL RIGHT. FOLLOWING THE EXECUTION OF THIS DOCUMENT, WERE THE LIABILITIES THAT I JUST READ, THE MORTGAGES -- WERE

THEY WERE TRANSFERRED FROM BOTH YOUR NAMES TO JUST YOUR HUSBAND'S NAME?

A NO, I DON'T THINK SO.

Q IF HE DEFAULTED ON THOSE MORTGAGES, WHAT EFFECT WOULD THERE BE, BASED ON THIS DOCUMENT?

A WELL, IT WOULD HAVE BEEN MY RESPONSIBILITY.

Q DESPITE THIS PROPERTY SEPARATION AGREEMENT. IS THAT CORRECT?

A I'M NOT LEGALLY AWARE OF THE TECHNICALITIES OF WHAT WOULD HAVE HAPPENED.

Q WELL, LET ME ASK YOU: THIS DOCUMENT PURPORTS TO SEPARATE REAL ESTATE. YOU GET TITLE TO A HOUSE, HE GETS THE MORTAGES. THAT SEPARATION HAS NO LEGAL EFFECT WHATSOEVER; ISN'T THAT CORRECT, MRS. HANSEN?

MR. LEWIN: IS MR. WEINGARTEN ASKING THIS OF MRS. HANSEN AS A LEGAL EXPERT?

BY MR. WEINGARTEN:

Q TO YOUR KNOWLEDGE.

THE COURT: TO HER KNOWLEDGE, OBVIOUSLY; NOT AS A LEGAL EXPERT.

MR. LEWIN: HE ASKED IT AS TO WHETHER --

THE COURT: NOT AS A LEGAL EXPERT. AS A PERSON WHO SIGNED THIS DOCUMENT.

THE WITNESS: WOULD YOU REPHRASE YOUR LAST PORTION OF THE QUESTION, PLEASE?

MR. WEINGARTEN: SURE.

THE COURT: WOULD YOU ASK THE QUESTION AGAIN, PLEASE.

BY MR. WEINGARTEN:

Q WHEN YOU PURCHASED YOUR ARLINGTON HOUSE THAT IS LISTED IN THIS DOCUMENT, I GUESS IT'S THE HOUSE AT 4700 38TH PLACE --

A WE NO LONGER OWN THAT HOUSE.

Q WELL, LET'S GO BACK TO WHEN YOU PURCHASED IT. I GUESS YOU SAT DOWN WITH THE MORTAGEE -- OR AT THE MORTGAGOR'S PLACE AND YOU SIGNED A NOTE, YOU AND YOUR HUSBAND; IS THAT CORRECT?

A THAT'S CORRECT.

Q AND YOU BOTH TOOK TITLE TO THE HOUSE.

A MM-HM.

Q AND IF THERE HADN'T BEEN A PROPERTY SEPARATION AGREEMENT, IF YOU DIDN'T PAY YOUR MORTGAGE, THE BANK, OBVIOUSLY, COULD COME IN AND TAKE YOUR HOUSE; IS THAT CORRECT?

A YES.

Q NOW, AFTER THIS PROPERTY SEPARATION AGREEMENT, IT STATES THAT YOU OWN THE HOUSE AND CONGRESSMAN HANSEN ALONE HAS RESPONSIBILITY FOR THE MORTGAGE. NOW, IF CONGRESSMAN HANSEN DIDN'T PAY THE MORTGAGE, WHAT WOULD HAPPEN TO THAT HOUSE, TO YOUR UNDERSTANDING?

A WELL, THE BANK WOULD HAVE HAD IT.

Q SO, WHAT EFFECT DOES THIS DOCUMENT HAVE ON THE LIABILITIES AND ASSETS OF THE HANSENS?

A LIKE I SAY, I AM NOT A LEGAL EXPERT.

Q O.K. MRS. HANSEN, DO YOU HAVE BANK ACCOUNTS WITH YOUR HUSBAND?

A I DO, INDEED.

Q JOINT BANK ACCOUNTS?

A YES.

Q DID YOU HAVE JOINT BANK ACCOUNTS BEFORE 1977, BEFORE THIS PROPERTY SEPARATION AGREEMENT?

A WE HAVE ALWAYS HAD JOINT BANK ACCOUNTS.

Q AND YOU CONTINUE TO HAVE JOINT BANK ACCOUNTS.

A THAT'S CORRECT.

Q HOW MANY JOINT BANK ACCOUNTS DO YOU HAVE?

A I'M NOT SURE.

Q ROUGH FIGURE.

A OH, TWO OR THREE.

Q JUST TWO OR THREE?

A THAT'S ALL I WRITE CHECKS ON.

Q WELL, HOW ABOUT YOUR HUSBAND?

A WE BOTH ARE INDEPENDENT PEOPLE.

Q WELL, WHAT ABOUT THE JOINT ACCOUNTS? HOW MANY JOINT CHECKING ACCOUNTS DO YOU HAVE AS YOU SIT HERE ON THIS WITNESS STAND?

A I DON'T KNOW.

Q MORE THAN FIVE?

A I DON'T KNOW.

Q MORE THAN TEN?

A I DON'T KNOW.

Q AND YOU PAY TAXES TOGETHER.

A THAT'S RIGHT.

Q AND, OBVIOUSLY, YOU PAY TAXES TOGETHER BECAUSE YOU FIGURED OUT THAT IT'S TO YOUR BENEFIT TO PAY TAXES JOINTLY AS OPPOSED TO SEPARATELY.

A MOST MARRIED PEOPLE DO.

THE COURT: I GUESS THE ANSWER IS "YES", THEN.

THE WITNESS: YES.

BY MR. WEINGARTEN:

Q THAT'S ABSOLUTELY RIGHT.

AND THE SILVER TRANSACTION WAS REPORTED ON A JOINT RETURN.

A THAT'S CORRECT.

Q AND THE SOYBEAN LOSS WAS REPORTED ON A JOINT RETURN.

A YES; I SUPPOSE SO.

Q AND THE LOSS WAS SUBTRACTED FROM GAIN, SO YOUR TAX BILL WOULD BE A LITTLE LOWER.

A MR. WEINGARTEN, LIKE I SAY, I AM NOT -- I AM NOT AN ACCOUNTANT, I AM NOT A LAWYER. AND THAT'S WHY WE HIRE ACCOUNTANTS AND LAWYERS, TO HANDLE THESE THINGS FOR US.

Q MRS. HANSEN, HOW MANY CARS DO YOU HAVE?

A TOO MANY.

THE COURT: NO, I'M SORRY, MA'AM. HOW MANY CARS?

THE WITNESS: LET'S SEE.

MR. WEINGARTEN: ALL RIGHT, LET ME ASK YOU THIS --

THE COURT: WELL, LET HER ANSWER THE QUESTION. YOU ASKED HER A QUESTION; LET HER ANSWER THE QUESTION.

MR. WEINGARTEN: O.K. SORRY, SORRY.

THE WITNESS: WE HAVE CARS HERE AND WE HAVE CARS IN IDAHO.

THE COURT: TOTAL CARS.

THE WITNESS: LET'S SEE. WE HAVE THREE HORIZONS AND TWO LE BARONS.

BY MR. WEINGARTEN:

Q AND WHOSE NAME IS ON THE TITLE OF ALL THOSE CARS, MRS. HANSEN?

A MINE AND MY HUSBAND'S, I THINK.

Q AND IS IT FAIR TO SAY THAT AFTER 1977, EVERY CAR THAT YOU PURCHASED HAS HAD BOTH NAMES ON THE TITLE?

A YES.

Q AND THIS DOCUMENT, MEANING THE PROPERTY SEPARATION AGREEMENT, PURPORTS TO GIVE YOU SOLE AND SEPARATE TITLE TO THE CARS; IS THAT CORRECT?

A IF THAT'S WHAT THE DOCUMENT SAYS.

Q BUT IN FACT, THE CARS ARE IN BOTH NAMES. IS THAT RIGHT?

THE COURT: I'M SORRY, MA'AM. YOU'LL HAVE TO SAY IT IN WORDS.

THE WITNESS: YES.

THE COURT: ALL RIGHT. WE ARE GOING TO COME BACK AFTER LUNCHEON, MR. WEINGARTEN. WE HAVE TO INTERRUPT AT THIS TIME. AND MRS. HANSEN.

MRS. HANSEN, YOU ARE, OF COURSE, IN THE MIDST OF YOUR TESTIMONY AND, THEREFORE, YOU CANNOT DISCUSS IT WITH ANYONE DURING THIS INTERRUPTION.

WE WILL BE BACK AT 3:00 O'CLOCK THIS AFTERNOON. THE JURY HAS EARLIER BEEN ADVISED, AS HAVE COUNSEL AND MR. HANSEN, THAT WE WOULD BE TAKING THIS LENGTHY INTERRUPTION TODAY. THE JURY I HOPE ENJOYS IT PARTICULARLY TODAY, MORE PERHAPS THAN ON SOME OTHER OCCASIONS FOR YOUR LUNCHEON PERIOD. WE WILL BE BACK AT 3:00 O'CLOCK TODAY. WE WILL BE SITTING TILL 7:00 O'CLOCK TONIGHT. SO, AGAIN, DO WHATEVER IS NECESSARY TO ACCOMMODATE THOSE HOURS, IF YOU WILL, LADIES AND GENTLEMEN.

PLEASE REMEMBER TO NOT DISCUSS THE CASE AMONG YOURSELVES OR WITH ANYONE ELSE. AND EVERYONE ELSE HAVE A GOOD LUNCHEON. WE WILL SEE YOU BACK HERE AT 3:00 O'CLOCK, MRS. HANSEN.

(WHEREUPON, AT 11:05 A.M., THE TRIAL WAS RECESSED, TO RECONVENE AT 3:00 P.M., THE SAME DAY.)

AFTERNOON SESSION

THE COURT: Good afternoon. We are pleased to have the presence of our visitor from the interesting country of Japan, and we will continue with our testimony.

Mrs. Hansen, if you will resume the stand, please. You remain, of course, under oath.

Everybody ready for the jury?

MR. LEWIS: Yes, Your Honor.

MR. WEINGARTEN: Yes, Your Honor.

THE COURT: Bring the jury in.

(Jury present at 3:00 p.m.)

Whereupon,

CONNIE HANSEN

resumed the stand and, having been previously duly sworn by the Deputy Clerk, was examined and testified further as follows:

CROSS-EXAMINATION (resumed)

BY MR. WEINGARTEN:

Q. Good afternoon, Mrs. Hansen.

Mrs. Hansen, at the lunch break, I think we were talking about property that you and your husband may have owned at one point or another. There was some talk about bank accounts. Mrs. Hansen, do you not know how many joint accounts you presently have?

A. No, I don't.

Q. Do you have a joint account presently at the Idaho

Bank and Trust, for example?

A. There is a possibility that we could have.

Q. How about the First Interstate Bank of Idaho?

A. Yes.

Q. How about the First Security Bank of Idaho?

A. I am pretty sure we do. We have a house that we purchased through that bank.

Q. How about the Idaho State Bank?

A. I am not sure.

Q. How about the Bank of Idaho?

A. I don't even know if there is a Bank of Idaho.

THE COURT: Are some of our jurors straining to hear Mrs. Hansen? I see you leaning over this way.

Mrs. Hansen, if you wouldn't mind, please, ma'am, move a little closer to the microphone.

BY MR. WEINGARTEN:

Q. The Bank of Commerce?

A. I don't know.

Q. There was some testimony that at present you and your husband jointly own five automobiles?

A. Yes.

Q. Do you recall, have there been other automobiles purchased since the property separation agreement?

A. Gee, we have, I am sure, bought some automobiles since then.

Q. To your knowledge, were they jointly bought?

A. Yes.

Q. The property settlement agreement reflects some real estate that you had at the time of the property separation agreement, and I think your testimony was, and certainly correct me if I am wrong, that title has remained in both names, even with the property separation agreement, in that property?

A. Yes, but I think that our attorney handled that in such a manner that there was no problem.

Q. Now, since the property separation agreement, have you purchased homes?

A. Yes, we have. We sold one and purchased another.

Q. Do you own a home in Idaho?

A. Yes, well, we and the bank.

Q. Would that be Fairway Estates?

A. Yes, Fairway Drive.

MR. WEINGARTEN: I ask that this be marked as Government's Exhibit 65.

DEPUTY CLERK: Government's Exhibit 66 marked for identification.

MR. WEINGARTEN: Excuse me, 66.

(Whereupon, Government's Exhibit No. 66 was marked for identification).

BY MR. WEINGARTEN:

Q. I hand you what has been marked as Government's

Exhibit 55, and I offer one to the Court as well.

I would ask you, ma'am, can you recognize those documents?

A. Yes.

Q. Is it fair to say that what is represented by Government's 55 is the deed to your home in Idaho, and all the mortgages or all the trusts that have been received on that home?

A. There is a lot of paper here, and I haven't read all the fine print.

Q. As you sit at the witness stand, do you know how many trusts you have secured with the Idaho home, ma'am?

A. No, not really.

Q. Perhaps, if you could go through that paper, does it not represent four different mortgages that have been received with the Idaho home used as security?

A. Yes.

MR. WEINGARTEN: We move into evidence, Government's Exhibit 55, Your Honor.

THE COURT: Without objection?

MR. LEWIN: Might I just look through it?

THE COURT: Of course. Surely.

MR. LEWIN: I have not been given an opportunity to see these before.

No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 6[illegible] was received into evidence).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, the top document, the warranty deed, that represents title to that home, does it not?

A. Yes.

Q. Who is named as the grantor? Who is receiving that property?

A. George V. and Connie S. Hansen, husband and wife.

Q. Now, the deeds of trust that follow, and I believe there are four -- let me ask you first, what date is that warranty deed? I believe it is right on the bottom, above the signatures of the people that were selling you the home.

A. I see, 24 August, 1977.

Q. Where was the property settlement agreement decision, as of August 24th, 1977?

A. I am not certain. That has been a long time.

Q. If you would, is the first deed of trust dated August 25th, 1977? I believe it is the document right after the warranty deed.

A. That is what the deed of trust says.

Q. It is a mortgage, is it not, for $53,000?

A. Right.

Q. That is money you received from the bank to pay for the house, obviously?

A. Yes.

Q. Whose name is on that as the grantor?

A. George V. Hansen and Connie S. Hansen.

Q. Husband and wife?

A. Husband and wife.

Q. Mrs. Hansen, just running through those documents, is there not another deed of trust right behind that first deed of trust dated March 15th, 1978, for a total of $9,200?

A. Which document are you referring to?

Q. The next deed of trust that follows, ma'am.

A. I don't see that date. Yes, I do.

Q. That is a mortgage for $9,200, and again you are putting up the same house as collateral, and in whose name is that mortgage?

A. George V. Hansen, Connie S. Hansen, husband and wife.

Q. Now, that mortgage would have been received after the property separation agreement was in effect, would it not?

A. That is correct.

Q. Is it fair to say that the next two mortgages are $20,000 dated August 10th, 1978, and $15,000, dated January 5th, 1982, and again in both names, George and Connie Hansen, husband and wife?

A. That is correct. We have been husband and wife through all of this.

Q. You have received your mortgages as husband and wife?

A. That is correct.

Q. Mrs. Hansen, did you also purchase a home in Arlington, in October, 1979?

A. That is correct.

Q. Would that be Belleview Forest, is that how it is referred?

A. Yes.

MR. WEINGARTEN: I would like to have this marked as Government's Exhibit 67.

DEPUTY CLERK: Government's Exhibit 67 marked for identification.

(Whereupon, Government's Exhibit No. 67 was marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, I give you Government's Exhibit 67 to look at, please. I would ask you is that not the title you bought of the home in 1979 and mortgages attached thereto?

A. Yes, that is so.

MR. WEINGARTEN: We move into evidence Government Exhibit 67, Your Honor.

MR. LEWIN: No objection on government counsel's representations that those documents are in fact what they represent.

THE COURT: It is in evidence without objection.

(Whereupon, Government's Exhibit No. 57 was received into evidence).

BY MR. WEINGARTEN:

Q. Is it fair to say that Government Exhibit 57 represents the title to the home you bought on October 1, 1979, and the mortgages? Perhaps you could just look through?

A. Yes, I just did.

Q. Is that a fair statement?

A. Yes.

Q. October 1, 1978, in whose name was the house purchased?

A. 1979.

Q. I am sorry, excuse me. 1979.

A. George V. and Connie B. Hansen, husband and wife.

Q. Is it fair to say there was a mortgage of $114,000 from the V.A.B. Mortgage Company?

A. Yes.

Q. Again, the mortgagees or I guess the mortgagors is the word, would be whom?

A. George V. Hansen and Connie B. Hansen.

Q. That mortgage, of course, was written up when you purchased the home?

A. That is correct.

Q. You have used the house for security for a second mortgage from the same mortgage company, is that correct?

A. That is correct.

Q. That would be dated January 12th, 1981, and it would be with the same mortgage company?

A. Yes.

Q. Again, in whose name would the mortgage be?

A. George V. Hansen, Connie C. Hansen, husband and wife.

Q. Finally, Mrs. Hansen, did you and your husband buy a townhouse in Arlington in November, 1977?

A. Yes, and if I might give you a little background information on that.

Q. Sure.

A. It sounds like we were dealing in real estate, which we weren't. We were living at 4700 38th Place, N. in Arlington, and the house was too big for us to heat, and it was costing a considerable amount of money to live there. Our children were growing up and leaving home. The fall of 1977, we had four children who were leaving home.

We put the house on the market and it didn't sell, and we were burglarized in the process, wiped out, and so we took the house off the market. We were one of the people who were victimized by the lock-box burglar. So we decided that we would take the house off the market.

In the meantime, we had purchased a townhouse thinking that we would move into it because our family had pretty much left home; and unfortunately we didn't get the house sold and we couldn't move into the townhouse. So we sold the townhouse at a loss.

Q. So you are saying you only owned the townhouse for a short period of time?

A. A very short period of time.

Q. Is it fair to say you purchased it in November of 1977?

A. I think that is essentially correct.

Q. That would have been two months after the effective date of the property settlement agreement, actually less than that, about six weeks?

A. I am not certain about the dates.

Q. If I represent to you the property separation agreement was signed September 30th, 1977, and you purchased this home November 15th, 1977, that is about six weeks, is it not?

A. I would say yes.

DEPUTY CLERK: Government's Exhibit 58 marked for identification.

(Whereupon, Government's Exhibit No. 58 was marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, I hand you Government Exhibit 58 and ask you if you can identify that, please?

A. This is all very fine print for my eyes.

Q. I apologize for that. Can you make out whether or not your name is on any of those documents?

A. Yes, it is.

Q. Does that not represent the title and the mortgage to the townhouse that you have just mentioned?

A. That is right, George V. Hansen and Connie S. Hansen.

Q. There is a mortgage there for $78,000 from the Riggs National Bank?

A. That is right.

Q. The name on the mortgage is?

A. George V. Hansen and Connie S. Hansen.

MR. WEINGARTEN: We move the exhibit into evidence, Your Honor.

MR. LE[illegible]: No objection.

THE COURT: It is in evidence, without objection.

(Whereupon, Government's Exhibit No. 53 was received into evidence).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, what, in your economic life, changed as a result of the property separation agreement?

A. Well, it, in essence, gave me the ability to have an outside income, to assist my family.

Q. You certainly could have worked before September 30th, 1977? I mean nothing prohibited you from gainful employment before the property separation agreement, that is a fair statement, wasn't it?

A. I would suppose it is. However, there are always extenuating circumstances.

Q. Is it a fair statement, Mrs. Hansen, that the only thing that changed as a result of this agreement is that you went out and solicited monies?

A. I went out and solicited money to assist my family and to assist my husband.

Q. Is that the only thing changed, though, as a result of this?

A. No.

Q. What else changed?

A. Well, it gave me the ability to act as an independent person.

Q. Well, prior to September 30th, 1977, you could have gone out and been a lawyer, a doctor or an Indian chief, could you not?

A. Oh, no, I couldn't have become a lawyer or an Indian chief. In the first place, I didn't have the education.

Q. Did anything in the law, prohibit you from doing anything, prior to September 30th, 1977, except raise money through a direct mail solicitation?

A. I think we are getting into an area of, Mr. Weingarten, of you trying to perhaps tell me what I should have done.

THE COURT: The question is, ma'am, could you have done it?

THE WITNESS: I could have, probably.

BY MR. WEINGARTEN:

Q. Maybe this will simplify things. Did anything in your economic life, in terms of paying bills, receiving monies, buying houses, receiving liabilities, did anything in those regards change as a result of the property separation agreement?

A. This property settlement gave me the opportunity to assist my husband, to assist my family, to give me the perogatives to raise funds to help take care of debts.

Q. Mrs. Hansen, I will try the question once more.

MR. LEWIN: Your Honor, I object to this repeated badgering of the witness. He has asked the witness the question. He has gotten the answers. He can ask it all afternoon and he will keep getting the same answers. There should be no reason he should be permitted to keep asking the same questions.

THE COURT: I ask Mrs. Hansen and I ask her again just to answer specifically the question, and then, of course, there will be another question. Then your counsel will have an opportunity to ask the questions.

THE WITNESS: There is always the freedom of choice as to what a wife would like to do in some areas but a Congressional wife is not always allowed those perogatives.

BY MR. WEINGARTEN:

Q. Except for the raising of the money, did your day-to-day economic life change at all as a result of the property separation agreement?

A. Mr. Weingarten, I can't recall how my day-to-day lif changed seven, eight, or nine years ago.

Q. Mrs. Hansen, have you and your husband submitted financial statements to banks?

A. My husband and I have.

DEPUTY CLERK: Government Exhibits 59A, 59B, 59C, 59D, 59E marked for identification.

(Whereupon, Government's Exhibit Nos. 59A-59E were marked for identification).

MR. LEWIS: Would you tell me which is which?

BY MR. WEINGARTEN:

Q. I hand you, Mrs. Hansen, five pieces of paper that are marked Government Exhibits 59A through E and ask you if you would take a look at them, please. Mrs. Hansen, is it fair to say that these are all financial statements that were submitte either on behalf of your husband or both of you to various banks in Idaho for the purpose of securing loans?

A. That is correct.

Q. Is that a financial statement that was prepared by either one of you?

A. My husband prepared these financial statements, and they are certainly not prestigious financial statements. They are statements that prove that my husband had no wealth.

Q. We will get to that in a second, Mrs. Hansen.

How many financial statements are you on?

A. I don't know if I am on any of them or not.

MR. LEWIN: I don't see the witness' signature on any of these statements. May I voir dire as to whether she knows anything at all about these statements?

THE COURT: Let's see about it. Will counsel come to the bench, please.

(Bench conference)

THE COURT: Of course, before you voir dire, Mr. Lewin, we will see whether or not the government is able to find out whether she has any connection with these. I haven't had a chance, until this second, to start looking at them. One does seem to be for both of them, at least lists her name. The others seem to be personal, so they say, "George V. Hansen, personal".

MR. LEWIN: There are two that have Mrs. Hansen's name on them but there are none that have Mrs. Hansen's signature on. I don't think it is fair to start interrogating her about documents --

THE COURT: She apparently recognized them and said that they represent that they don't have as much as people think they have or something like that.

MR. LEVIN: I think, Your Honor, she recognized them in the sense that she looked at them, she sees her husband's name on them. But I think the question that should be asked is whether she had seen these documents, she has authorized them.

MR. WEINGARTEN: Assets that are represented on the property separation agreement to be Mrs. Hansen's are throughout these financial disclosure statements. I think it is perfectly appropriate for me to quiz Mrs. Hansen about these.

THE COURT: He certainly can ask her about it because she has said frequently that whatever is his, in effect, is hers, because they agreed between themselves to do thus and so. That is your theory. That is what she has said all along.

I don't know how far the government is going to go with this. I don't know whether she is going to contend she has never seen these before. I don't know if she is going to have her memory refreshed as to the five orders, four orders, you know, at a certain period of time, but these don't have to be her statements to ask some questions.

I just don't know what the questions of the government at this moment are going to be. Let the government ask the questions. If it is attempted to be moved into evidence as her document, clearly you have a right, if you are not satisfied with whatever the government has done, to then voir dire as to whether indeed it is her document. I agree I don't see her signature.

MR. [illegible]: I think it is unfair and improper cross-examination to ask her questions, as if these were her documents, in the presence of the jury.

THE COURT: Would you ask her if these are her documents?

MR. WEINGARTEN: I will be happy to ask that.

THE COURT: Mr. Weingarten will ask that question and then we will go on with some examination.

(End of bench conference)

BY MR. WEINGARTEN:

Q. Mrs. Hansen, have you ever seen these financial statements?

A. I might have.

Q. Have you ever seen financial statements like these?

A. Probably. I don't know.

Q. Is it fair to say that it is the same form of financial statement, just updated through the years?

A. I suppose it is fair to say that.

Q. That is what it is, isn't it?

A. I suppose so.

Q. The first financial statement is dated September 11th, 1977?

A. That is correct.

Q. The second would be November 5th, 1977?

A. Yes.

Q. The third November 1, 1980; the fourth, December 1, 1981?

A. True.

THE COURT: Excuse me, I have one dated December 12, 1980?

MR. WEINGARTEN: I am reading the date the financial conditions on, Your Honor.

BY MR. WEINGARTEN:

Q. The last one would be January 1, 1983, is that correct?

A. That is correct.

Q. At least the last two have your name as one of the people submitting the financial statement?

A. The last what?

Q. The last two chronologically.

A. That is correct.

Q. These financial statements purport to represent assets owned, in some instances, by your husband, in some instances by both of you?

A. That is correct.

Q. To your knowledge, these financial statements were submitted to banks in an effort to secure loans, is that correct?

A. I am certain that this was done through the careful supervision of our accountant, and with counsel, Mr. Kunft.

Q. Mr. Runft participated in these, is that what you are saying?

A. I don't know, but I would imagine that he could have been consulted.

MR. WEINGARTEN: We move into evidence at this point Government's Exhibits 69A through E.

MR. LEWIN: We object. There is no indication that this witness knows anything, that she identified a single one of these documents. It is totally inappropriate to try and move into evidence a document which he is asking Mrs. Hansen about when the best she has said is she looked at the face of the document --

THE COURT: Mr. Lewin, we have always taken all these discussions at the bench. That is the first thing.

MR. LEWIN: Well, all right.

THE COURT: We will do that again.

(Bench conference)

THE COURT: Even though her signature does not appear on these documents, and even though her name appears on only two of the five documents, coupled together with Mr. Hansen's name, nonetheless she has said that these were the statements that were used for obtaining loans from the banks for those mortgages, which earlier testimony has indicated were in joint names. So under the circumstances, they can be admitted in evidence.

how much authority to give to them, how much weight to give to them, will depend upon the value that the jury puts upon them, both from Mr. Weingarten's examination and from your further examination. But they are in evidence over your objection.

MR. LEVIN: With all due respect, let me just say, Your Honor, she has said that these are the applications from mortgages that are shown. That is simply not true. She has not said that.

MR. WEINGARTEN: I didn't say mortgages. I said loans.

THE COURT: Maybe I said mortgages.

MR. LEVIN: She did not even say they were applications for loans that she knows about. She says on their fact they look as though they were submitted to the bank and she is sure they were done with careful supervision but she has not identified a single one of these documents as a document she had any personal familiarity with. I submit to put them into evidence and to ask this witness about them is unfair.

THE COURT: She may well say she doesn't know about them specifically but what she has said in her earlier testimony is sufficient to get them in. They are in over objection.

(End of bench conference)

(Whereupon, Government's Exhibit

Nos. 69A-69E were received into evidence)

BY MR. WEINGARTEN:

Q. Mrs. Hansen, turning your attention to 69A, the September 15th, 1977 financial statement, that would have been 15 days before the effective date of the property separation agreement, would it not?

A. That is correct.

Q. This financial statement is solely in the name of your husband, George V. Hansen, is it not?

A. That is right.

Q. What does the net worth indicate?

A. $246,000, is that the column you are talking about?

Q. Yes, ma'am.

A. Okay.

Q. Is it $246,520?

A. That is correct.

Q. How is the real estate listed on the second page of that financial statement? The title is in whose name in each instance?

A. Self and wife, self and wife, self and wife, self and wife with part in escrow, and self and wife.

Q. Mrs. Hansen, the next financial disclosure statement, 69B, that is dated November 9th, 1978, is it not?

A. That is correct.

Q. What is the net worth indicated on that statement?

A. $248,200.

Q. How is the real estate listed? Is it again all listed as self and wife?

A. That is correct.

Q. 61C, November 11, 1980, what is the net worth listed there, Mrs. Hansen?

A. $301,000.

Q. Again, is all the real estate listed as jointly titled?

A. That is correct.

Q. And D, ma'am, December 1, 1981, what is the net worth listed there, ma'am?

A. $356,500.

Q. Again, is all the real estate jointly titled?

A. That is correct.

Q. And the last one, ma'am?

A. $545,500.

Q. And the real estate?

A. Is all listed as self and wife.

Q. Now, in each financial statement, it is indicated that political assets and liabilities are not included, is that correct?

A. There is a column here for total liabilities, right above the net worth.

Q. The total liabilities would be what is subtracted from the total on the left-hand column to get the net worth, would it not?

A. Right.

Q. So in each instance, the net worth of the financial statements that you have been discussing represent assets minus liabilities?

A. Right.

Q. On the bottom of each of these statements, there is an indication that political assets and liabilities are not included, is that correct?

A. That is correct.

Q. What political assets and liabilities are referred to there?

A. I beg your pardon?

Q. What is that referring to?

A. What was your question?

Q. I believe in each financial statement that we have been discussing, on the bottom right above the signature, there is an indication that political assets and liabilities are not included.

A. That is correct.

Q. Do you know what that refers to?

A. Well, it would refer to things that aren't listed on these forms.

Q. What would those things be?

A. It would be the debts and things that were incurred as a result of the political debts.

Q. Is that what is referred to in the property settlement agreement?

A. I would imagine.

Q. Do you know for sure?

A. Well, our attorney would attest to that, I am sure.

Q. Mrs. Hanson, did you make reference to quit-claim deed? Is that up there?

A. I am sorry?

Q. Did we talk about, this morning, a quit-claim deed to the property of Foster's Third Addition? Do you know what a quit-claim deed is?

A. Not exactly.

MR. WEINGARTEN: Could I have that Defendant's Exhibit, please.

THE WITNESS: Mr. Weingarten, I think I had mentioned earlier, that I am not knowledgeable in law, real estate, accounting and a lot of these areas and I have left many of these decisions and many of these forms to the judgment of a good accountant and attorney.

BY MR. WEINGARTEN:

Q. If you would be kind enough to look at Defendant's Exhibits 75, 76 and 77, would they not be documents that were prepared by Mr. Runft, that were prepared as quit-claim deeds that purport to represent a transfer of title of real estate from your husband to you?

A. That is right.

Q. One of those pieces of property is the home that you used to live in in Arlington, I think at Foster is what they call it, Foster's Third Addition?

A. I am not sure what it is called.

Q. That is represented there?

A. It does have the wrong address, however.

Q. About the quit-claim deed?

A. Yes, it does.

Q. Mr. Runft filled out that document, did he not?

A. Well, it was probably a typo.

Q. Now, the house in Arlington is where you used to live?

A. That is correct.

Q. That is a house that you sold to Harry and Katherine Zachan?

A. Yes.

DEPUTY CLERK: Government's Exhibit 70 marked for identification.

(Whereupon, Government's Exhibit No. 70 was marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, I ask you if you can identify Government's Exhibit 70. Now, that is the transfer of title from you to the Zachams, is it not?

A. Yes.

Q. On that property you sold October 1, 1979, is that fair?

A. Yes.

Q. That is the property that corresponds to that quit-claim deed wherein you received title from your husband in September, 1979?

A. Okay.

MR. WEINGARTEN: I move into evidence Government's Exhibit 70.

MR. LEVIN: No objection.

THE COURT: It is in evidence.

(Whereupon, Government's Exhibit No. 70 was received into evidence).

BY MR. WEINGARTEN:

Q. Who sold that house to the Zachams, Mrs. Hanson, pursuant to Government's Exhibit 70?

A. Well, I was the one who made the decision to sell the house to the Zachams.

Q. How about legally? What does the document reflect, ma'am?

A. Well, the document has both my husband's name on it and my name.

Q. If the quit-claim deed transferred title to you in

1977, why was your husband still on the title in 1979?

A. Well, I think I have mentioned before, we never, because we had a property settlement, we never had a divorce.

Q. Mrs. Hansen, what was the point of the quit-claim deed? I mean, the quit-claim deed purports to transfer --

A. Mr. Runft was instrumental in handling this, and it was important, I guess, that we did it. I am not a real estate agent. I don't have all those answers.

Q. So is it fair to say, you don't have a clue as to what the significance would be?

A. Not really.

Q. Now, in your tax return, in 1979, you had to report the sale of real estate, did you not, because you sold your house?

A. I would say that is essentially correct.

MR. WEINGARTEN: I would like to have marked Government's Exhibit 71, just for identification purposes only.

DEPUTY CLERK: Government's Exhibit 71 marked for identification.

(Whereupon, Government's Exhibit No. 71 was marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, I will hand you what has been marked as Government's Exhibit 71 and ask you, ma'am, if you can identify it? Perhaps I can help you and ask you if it is the tax return filed by you and your husband in 1979?

A. It has both of our signatures, so I would assume that it is ours.

Q. Mrs. Hansen, is there a schedule in that tax return for the sale of real estate?

A. I am sure there is.

Q. Would you find it, please? I think it is towards the back.

A. Yes, I have located it.

Q. How is that schedule headed?

A. "Sale or Exchange of Personal Residence."

Q. Yes. Mrs. Hansen, are names indicated on the top of that schedule?

A. Yes, George V. and Connie S. Hansen.

Q. Is there a date indicated for the sale of property in the next line?

A. Yes, 10-1-79.

Q. That is the Arlington home that you sold in October, 1979, that is referred to in the quit-claim deed, is it not?

A. Yes.

Q. 1E, the fifth question down, would you read it, please?

A. I have never been able to understand an IRS form. You will have to ask the question again.

Q. 1E, it is the fifth question down from your name and your husband's name.

A. What is the question you are asking?

Q. Does it read, "If married at the time of sale, was the residence owned by," and then it gives you three choices, "you, your spouse or both of you?" Do you see that, Mrs. Hansen?

A. No, I do not.

Q. Perhaps I can help you with it. Do you see it now?

A. Oh, yes, it was owned by both of us. I see what you are referring to.

Q. Just so we are clear on this, the question reads, does it not, "If married at the time of sale, was residence owned by," there are three boxes, it says, "you, your spouse or both of you?"

A. It was owned by both of us.

Q. What about that quit-claim deed? Which is a true statement, the quit-claim deed or your tax return?

A. I would say both are correct. One was prepared by an attorney, Mr. Runft. The other was prepared by Mr. Caldwell and those men are both reputable, accountable people.

Q. If the information, Mrs. Hansen, is diametrically opposed, can they both be true?

A. I am not an attorney and I can't answer those questions, but I have ultimate confidence that Mr. Caldwell and Mr. Runft, are certainly not going to do anything that would be hazardous to my health.

Q. Mrs. Hansen, did you sign the tax return?

A. Yes, I did.

Q. Did you go through it before it was submitted to the IRS?

A. Listen, going through a tax return can boggle anybody's mind.

Q. Mrs. Hansen, there was a fundraiser that you spearheaded after the property separation agreement, is that fair?

A. That is correct.

Q. I think you testified on direct examination that about $100,000 was raised?

A. That is correct.

Q. Into what account did the money go?

A. It went into a Connie Hansen Fund.

Q. Where was that bank?

A. In Arlington.

Q. About how much of the money that was raised was applied to the debt that we have heard about?

A. All of that money was applied to debts. None of that money went for anything for me or any member of my family personally. It all went to pay debts. It didn't put food on the table or clothes on our backs, for no luxuries.

Q. Did it cost any money to raise that money?

A. Of course it did, because it was done by direct mail.

Q. So what was the net, do you have any idea?

A. I don't recall the exact number.

Q. Roughly?

A. It was in the $100,000 area.

Q. Was that the gross receipts or was that the net amount?

A. That was the portion that I realized of my own.

Q. Did you say you applied the monies that were raised to the $372,000.

A. That went to pay debts.

Q. Which debts, personal debts?

A. The debts that had been incurred over the years because of the political debts and so forth.

Q. Do you have Defendant's Exhibit 40, the property separation agreement before you? I am not sure you do. Is it up there?

A. I am not sure.

Q. Maybe I can clear some of those exhibits.

Referring to the property separation agreement, would you turn to the page where your personal debts are represented? I think it is page 5, do you have it now?

A. Yes, I do.

Q. So, does it not say, "that from the community debts, the wife shall assume, as her sole and separate debts from which the husband shall be free of any liability or obligation the following items: B, personal loans in the amount or in the sum of $372,750." Do you see where it says that?

A. Yes, I do.

Q. Did you apply the $100,000 that you raised to those personal loans represented to be $372,000?

A. We had other debts besides these, and I can't tell you exactly at this precise minute where that money was applied.

Q. Was not the whole point of the fundraiser to raise money for debts that had been separated to you?

A. That is right, but there were debts prior to this.

Q. In addition to the $372,000?

A. There were debts that were included in this $372,000 that came about before I raised the money.

Q. But I guess as of the time of this agreement, the sum total you took over was $272,000 is what you were responsible for pursuant to this agreement, and that is what you were raising money to defray, is that fair?

A. That is fair.

Q. Now, was the money that you received pursuant to your fund raiser applied against the $272,000 debt?

A. I would say that that would be essentially correct.

Q. So $272,000 in debts remained?

A. I don't have all of this in my head. I don't have it all in a position where I can make a comment on that.

Q. Did you pay any interest on any of the personal loans that are represented by 5B?

A. I am certain that interest was paid.

Q. Would you take a look at the tax return that is before you, Mrs. Hansen, 1979. There is a section in there, is there not, for interest payments that you can deduct from your income so that your tax bill will be smaller. And I direct you specifically to Schedule A and B.

A. What page are you on?

Q. It would be right after the 1040. It would be Schedule A and B.

A. Mr. Weingarten, the whole purpose of having an accountant to prepare these forms, in the first place, was so that I didn't have to be responsible for a tax form in total, because I don't have the ability to do that, and I doubt if there is anyone in this room or very few people in this room who would.

Q. I still ask you, if you would, to please look at Schedule A and B, please.

A. What page are you on?

Q. It is right after your 1040.

A. Would you like to come and show me what you are referring to?

Q. Do you have the Schedule A and B, ma'am? In a Schedule A and B, there is a place for interest expense, where you can list the amount of interest you pay on loans so you can have a deduction from your income, and your taxes will be lower, is that not true, Mrs. Hansen?

A. That is true.

Q. Now, what interest is represented in your 1979 tax return?

A. The total?

Q. No. I would like you to break it down.

A. Are you referring to the $16,758?

Q. Yes. Now, pursuant to the property separation agreement, your husband was responsible for the mortgages, was he not?

A. Yes.

Q. Please continue.

A. Okay, credit and charge cards, $724.

Q. Pursuant to the separation agreement, your husband was responsible for that interest, was he not?

A. I suppose so.

Q. Please continue.

A. And various banks and others, $10,889.

Q. For the specific loans from banks, pursuant to the separation agreement, your husband was responsible for that interest, was he not?

A. I would imagine.

Q. What remains, ma'am?

A. Do you want the total expense?

Q. Is there anything else? It says "others", does it not?

A. There are contributions.

Q. Excuse me, ma'am. Under the interest expense, after various banks, it says "others, $818"?

A. Yes.

Q. Is that the interest that you paid on your personal loans that had been reduced as a result of the your fundraiser to $270,000?

A. I really don't know what this is. I don't know what that $818 is. This was several years ago, in the first place. And I don't make it a habit to sit and read an income tax return.

Q. Mrs. Hansen, is there indicated anywhere in that tax return interest you may have paid on the debt that is represented to be $272,000 on the property separation agreement?

A. I can't answer that question.

Q. Did you pay any interest on that debt?

A. I am sure that interest was paid.

Q. Why was it not reported on your tax return, ma'am?

A. I am sure that it was taken care of properly and that it was paid.

Q. You neglected to put it on your tax return when you could have gotten the benefit?

A. I didn't fill out this tax return.

Q. Mrs. Hansen, you said that the money from the special account was used to do what?

A. What special account?

Q. What was the special fund, Connie Hansen special fund in Arlington, is that where the money went that you raised?

A. That is correct.

Q. Was any of the money taken out of that fund and placed in a joint account that you and your husband share?

A. That could have happened.

Q. How could that have happened, ma'am?

A. Well, my husband and I never severed our total relationship. We have been married for 31 years and we still act as agents for each other.

Q. Didn't you represent, Mrs. Hansen, to both the House of Representatives and to the people that you were soliciting that the money would be carefully separated between you and your husband?

A. And that was done.

Q. Mrs. Hansen, weren't there occasions where monies that were deposited into the Connie Hansen special fund were withdrawn by you and placed in joint accounts that you share with your husband?

A. Those monies were always handled very carefully.

Q. What is the answer to my question, Mrs. Hansen? Were there occasions when you withdrew monies from the special fund and deposited them into joint accounts that you shared with your husband?

A. That could be so.

Q. Would you like to see some documents?

A. I really am not anxious to see any documents.

THE COURT: Would it help refresh your memory?

THE WITNESS: I probably would.

THE COURT: If you don't know the answer, please do say, "I just don't know."

THE WITNESS: This has been a long time. This has been six or seven years.

THE COURT: I understand that. Whatever is the response that is appropriate response.

THE WITNESS: But not every penny of that money was misappropriated or misspent or used for anything other than what it was solicited for.

BY MR. WEINGARTEN:

Q. But it was shared between you and your husband, was it not, Mrs. Hansen?

A. That is correct, and I will tell you the people who contributed, made those contributions, were of a mind that they knew that that would be used to take care of personal and political debts.

Q. Mrs. Hansen, didn't you represent to both the House

Ethics Committee and to the people you were soliciting, that you would carefully keep the money separate from Congressman Hansen so there wouldn't be a problem with the House Ethics Committee?

A. There was never a problem with the House Ethics Committee. The House Ethics Committee never questioned it.

MR. LEWIN: May we approach the bench?

THE COURT: Yes.

(bench conference).

MR. LEWIN: Mr. Weingarten has now said in the presence of the jury three times, "Didn't you tell the House Ethics Committee and the people," et cetera, et cetera, that this would be --

THE COURT: Are you referring to the letter?

MR. WEINGARTEN: I sure am.

MR. LEWIN: I would like to have a statement where specifically the thing he is referring to appears, to the House Ethics Committee.

MR. WEINGARTEN: All his exhibits make that representation that they are going to carefully separate the property, and that is the whole point?

MR. LEWIN: Where? Mr. Weingarten has the habit of making assertions in the presence of the jury contrary to facts, and he makes it part of his question. I have demonstrated several times before that they were false, and he continues to do it again. I am sorry, Your Honor, that happens to be a fact. He has done it again.

He now said three times, "Didn't you represent such and such to the House Ethics Committee?" I would like him to show me one piece of paper where that is stated.

THE COURT: She can answer yes or no, sir. She does not answer directly the questions, as well you appreciate, and the record will demonstrate. Obviously, if she doesn't know the answer, the simplest thing in the world to say is, "I don't know." Nobody can force them to say anything if they don't know.

But the problem of saying, "I guess it could be so," or, "It might be so," certainly leaves it dangling. Mr. Weingarten certainly, in cross-examination, as I gave you latitude on cross-examination, clearly he is going to have to come forward with something other than getting these unequivocal answers. She is asked, "Will it help you if I show you a document?" She says, "I don't want to see anything." That is her answer.

MR. LEVIN: I am sorry. Mr. Weingarten is sort of overbearing her.

MR. WEINGARTEN: This is a defense copy, and if anybody wants to see the check --

MR. LEVIN: First of all, Mr. Weingarten, in answer to my request for a proffer, has provided me with a document, which I guess is Defendant's Exhibit 42, which we have not introduced into evidence. Nonetheless, he has provided me with that document. It is very interesting. I would like Mr. Weingarten to show me where that representation is made.

MR. WEINGARTEN: Second to the last paragraph.

MR. LEWIN: It says, "I promise you I will deposit your donation promptly into a special bank account I have set up to pay off these funds."

THE COURT: The jury is going to hear you.

MR. LEWIN: Fine, because that is the truth. I would like to have the reporter read to me what Mr. Weingarten said at least three times.

THE COURT: I want you to keep your voice down, please, sir.

MR. WEINGARTEN: Your Honor, what is the issue here?

MR. LEWIN: The issue is that you are representing to the jury that she made a representation to the House Ethics Committee and to the public that the funds that were in that special bank account would not be used for any purpose other than paying off those debts. That representation was not made in this letter. It was not made.

MR. WEINGARTEN: A fair reading of that letter is precisely that.

MR. LEWIN: It is absolutely false.

THE COURT: If it is such, then you will be able to demonstrate that in your examination. If it is fairly read, and you are not showing me the document, so if it is fairly read --

MR. LEWIN: I am showing you the document.

THE COURT: Please, sir, control your temper a little bit, Mr. Lewin, please. This is a "dear friend" letter, from Mrs. George Hansen.

MR. LEWIN: Which is not in evidence, Your Honor, but it is all right, it is a letter from Mrs. Hansen.

THE COURT: Which paragraph are you referring to, Mr. Weingarten?

MR. WEINGARTEN: Right here, second to the bottom.

THE COURT: "I promise you that I will deposit your donation promptly into a special bank account I have set up to pay off these debts."

MR. WEINGARTEN: I think my questions are --

MR. LEWIN: I would like to have the reporter read Mr. Weingarten's question, which he has three times made an assertion of fact that is, I submit, false, and it is at least the third time he has done that.

THE COURT: This one obviously is not to the Ethics Committee; it is to "dear friend".

MR. LEWIN: In addition to that, it only says it will be deposited in the account. Mr. Weingarten has said repeatedly --

THE COURT: It says, "I will deposit it into a special bank account I have set up to pay off these debts."

MR. LEWIN: Mr. Weingarten has now represented and I, because I believed that the representation of an attorney, a member of the bar, was making in the course of questioning would be truthful, said three times in the presence of the jury, "Didn't you tell the Ethics Committee and the public that these funds would be carefully segregated and would not be used," I forget the exact question, I would like the reporter to read it, but the implication was clear that if it was put into a special account, it would not be taken out of the special account to pay for anything but those kinds of loans.

MR. WEINGARTEN: I have to answer this.

MR. LEWIN: I submit, Your Honor, that that letter does not say that. It says it will go into a special account, which it did, and that there is no such representation in that letter and it is contrary to fact to make that assertion in the presence of the jury as part of the question.

MR. WEINGARTEN: Your Honor, I am stunned by this. The whole point of getting around the Ethics Committee Advisory Opinion No. 4 was the burden upon them to show that Mrs. Connie Hansen was not raising money on behalf of her husband. That is exactly the purpose of the property separation agreement. That is exactly what we have been talking about for two days.

Ethics Committee Ruling No. 4 said Connie Hansen could not raise money on behalf of her husband. The whole gist of the fund-raising effort was a representation by them to both Congress and to the people they wanted to raise money from, that this thing would be a separate operation. My questions are entirely in line with the facts in this case.

THE COURT: Well, the question was coupled with the Ethics Committee. I am looking at a letter that was written to the Ethics Committee by Mrs. Hansen that is in evidence, and that is the June 3rd, 1977, letter, whatever exhibit number it is, which tells Mr. Preyer, a member of Congress, that "My husband plans to abide by your decisions with regard to its request to raise funds. Neither he nor I nor independent committee will use funds in his behalf."

And then on the second page, it talks about "a financial separation legally and properly dividing our property. In part, the property settlement provides that my husband assume such debts as those of the family, the home cars, charge accounts and such and that I assume a substantial portion of those debts politically incurred."

She refers to the separation of personal finances, which is done with considerable difficulty to the family, and then says, "I plan to raise funds at an early date to pay my half of the debts in proper and legal fashion."

MR. LEWIN: That is right. That is absolutely what she did.

MR. WEINGARTEN: I would show you Defendant's Exhibit 35.

THE COURT: Counsel has just given me the May 11th, 1978, letter, Defendant's Exhibit 35, communication from Mrs. Hansen, again to Mr. Preyer, which talks about the property settlement agreement, that "Assets and debts assumed by me were precisely what an equitable legal division would allow, and nothing else. Having gone to this trouble and expense, I consider myself an independent citizen absolutely and legally not under the constructive control of my husband. I plan to take care of my financial needs and problems in accordance with the law and the highest standards of ethics and will in no way be adversely influencing my husband's life.

"What I do with my private life is legally my private business. I amnot a member of Congress and have no further obligation to you or your committee. What my husband does may be yours to supervise, but my husband is no legal position to involve me."

MR. LEWIN: I submit everything the witness has done with regard to putting money in that bank account --

THE COURT: We will all see this when it is transcribed. Mr. Weingarten can raise his question in such a way as within the cross-examination legitimacy he can embrace the fact that this was addressed both to the public and the Ethics Committee. Whether he couples them or does them individually, the question can be asked.

You clearly, Mr. Lewin, have a right to come back and say this wasn't so, was it, this isn't what you meant and so forth.

I don't know if there are any more documents. We have all read these three documents in any event, which you have to look at the language. The language is there. There are some things that certainly support what Mr. Weingarten has said in his question. Mr. Lewin, I can understand the irritation about it. If Mrs. Hansen doesn't know it or understand it, she has not been shy about equivocating on it. But what I would like her to do and I hope she will, for everyone's sake, is to just say I don't know, if she doesn't know. That is the simplest thing in the world to say.

MR. LEWIN: Mr. Weingarten comes on her with an assertion of fact which she assumes, just as I assuming it in the courtroom, because it came from a member of the bar, is true. The assertion of fact, I submit was not true. If in fact Mr. Weingarten had read to her the sentence from her letter, "I will deposit it in an account," Mrs. Hansen would have said, "Of course, I did deposit it in an account," and that is exactly what she did.

Mr. Weingarten's statement, I submit, is not true. It is improper to ask questions in that way. I submit it is not permissible by an attorney, as a member of the bar, and that is why I am shocked. I didn't even rise to object the first two times he asked it.

THE COURT: You were both shocked. So we have a proffer that he is going to use these documents, is that right, Mr. Weingarten?

MR. WEINGARTEN: I am done with this, except for introducing this exhibit. I made my point.

MR. LEWIN: What was that?

THE COURT: Then you are just going to introduce that exhibit and then, Mr. Lewin, whenever your examination is completed, we will come back and utilize whatever exhibits we need to.

(End of bench conference)

BY MR. WEINGARTEN:

Q. Mrs. Hansen, were there occasions, ma'am, when monies from the Connie Hansen Special Fund were deposited into joint accounts that you and your husband had?

A. Yes, but the fund was never called the Connie Hansen Special Fund. It was just called, I think, Connie Hansen Fund.

Q. Perhaps I have the wrong check. Let me approach the witness with Government's Exhibit 72.

THE COURT: You may.

BY MR. WEINGARTEN:

Q. Mrs. Hansen, is Government's Exhibit 72 a check written by you on the account that you were using for your fund-raising?

A. Yes. Again, this is 1977, and it is my signature. It was my check, that is correct.

Q. Is it a $4,700 check that was deposited that day into a joint account that you and the congressman had at the Arlington bank?

A. Yes.

MR. WEINGARTEN: I move into evidence Government's Exhibit 72.

THE COURT: Without objection?

MR. LEWIN: Your Honor, I just saw the document briefly.

THE COURT: Surely. By all means, look at it again.

MR. LEWIN: As is true with other bank records, I would appreciate it if the government would provide me with the complete file. Mr. Weingarten has now selected one check.

THE COURT: Do you have any objection to this particular document?

MR. LEWIN: I have no objection to this.

THE COURT: All right. It is in evidence.

(Whereupon, Government's Exhibit No. 72 was received into evidence).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, moving to Nelson Bunker Hunt, if it is easier, you can close down all those exhibits and clear them off -- moving to Nelson Bunker Hunt, is it fair to say when he was first approached to help, that was before the property separation agreement?

A. I don't recall all the exact dates of when we conversed with Mr. Hunt.

Q. If the soybean transaction was April 20th -- or maybe I can use the chart.

Can you see that, Mrs. Hansen?

A. Yes.

THE COURT: That means yes?

THE WITNESS: Yes.

THE COURT: All right.

BY MR. WEINGARTEN:

Q. If the soybean transaction was April 20th, 1977, that, of course, would have been before the property separation agreement, is that correct?

A. Yes.

Q. So the approach to Mr. Hunt, which would have come before April 20th, because that is when the soybean transaction was, is that correct?

A. I suppose it is. I don't have a great memory for all these dates.

Q. Let me ask it this way: Was there a conversation with Mr. Hunt where your problems were explained to Mr. Hunt and then Mr. Hunt turned around and helped you with soybeans?

A. Well, I wouldn't say it happened exactly that way.

Q. There was a conversation first?

A. There was a conversation.

Q. So the soybean transaction would be totally unrelate
to the property separation agreement, is that correct?

A. Rephrase your question, would you please?

Q. If the property separation agreement is effective
September, 1977, and all of the events of the soybean
transaction up until the time you received the loan from Dallas
took place in April and May, 1977, what relationship would
there be between your relationship with Nelson Bunker Hunt and
the property separation agreement?

A. I don't know of any.

Q. Now, do you know anything about soybeans?

A. Nothing other than that they are used for a lot of
protein.

Q. Did you select the commodity to invest in?

A. I made a choice. I made a decision.

Q. What was your decision?

A. To invest in soybeans.

Q. Did you tell us, when we chatted about this before,
that it was somehow related to receipes that you knew about?

A. I know there are lots of ways you can use soybeans,
and for high nutritional foods.

Q. Does that fact have anything to do with your investment in April, 1977?

A. None whatsoever.

Q. What triggered your investment in soybeans?

A. Well, it appeared at the time that it might be a good investment.

Q. That is because Bunker Hunt told you that?

A. Because Mr. Nichols who was the broker, said that it was a good way to go.

Q. Mrs. Hansen, all these decisions about the purchase and sale of soybean contracts valued in the millions of dollars, were they made by Mr. Nichols, by you or by Nelson Bunker Hunt?

A. Mr. Hunt and I had a conversation, and I, in turn, talked to Mr. Nichols. Mr. Nichols called me on a couple of occasions and that is how that all came about.

Q. In the commodities market, somebody has to decide when to buy; somebody has to decide when to sell. This occurred on three separate occasions in your name in 1977. Who made those decisions?

A. Mr. Nichols was advising me and telling me what was happening, and I told him to use his good judgment because he was the expert.

Q. So are you saying that Mr. Hunt had nothing to do with these transactions?

A. Mr. Hunt put me in touch with Mr. Nichols.

Q. Is it your testimony that that is the extent of his relationship with this transaction?

A. Mr. Hunt had told me he would put me in touch with Mr. Nichols.

Q. Is it your testimony that Mr. Hunt didn't make every decision as to when to buy and when to sell?

A. Mr. Hunt did no such thing.

Q. The bottom line, for the soybean transaction, was a loss, was it not?

A. That is correct.

Q. You wrote out a check for $40,000 to Cargill, is that correct?

A. I believe that is the name.

Q. Is there any question about the amount?

A. It has been a long time, and I don't remember if that was the exact dollar.

MR. WEINGARTEN: Could I have the government exhibit on that, please, the soybean check.

BY MR. WEINGARTEN:

Q. While they are looking, Mrs. Hansen, is it fair to say the check you wrote out to Cargill was $40,000?

A. I would say that is essentially so.

Q. The amount you borrowed from the Dallas bank was $50,000?

A. That is correct.

Q. Why did you write a check to Cargill for $40,000 when your loss was only $33,000?

A. I don't have the records at hand and I don't know. I just simply don't remember.

Q. Do you recall that Cargill sent you back a check for $6,125?

A. Yes, I have recollection of that.

Q. How could it be that you paid $40,000 for your loss when your loss was only $33,000?

A. I can't answer that question.

Q. Mrs. Hansen, why did you borrow $50,000 when your loss was only $33,000?

A. Well, Mr. Hunt was attempting to assist me, as a good friend and as a gentleman, and I think he felt perhaps I could use the extra money to perhaps take care of some debts. I think it was just an honest, sincere thing on his part.

Q. When you went to Mr. Henry at the Dallas bank, did you notify him of the property separation agreement?

A. Yes, I think he was aware of that.

Q. Would he have been aware, because you told him?

A. I don't remember the exact conversation, but I did tell him, I am pretty certain.

Q. Mrs. Hansen where did the $50,000 go?

A. It went into an account.

Q. Would that have been a joint account?

A. It could have been.

Q. Was the $50,000 check endorsed by both you and the Congressman?

A. Yes.

Q. Do you recall whether or not on that date $5,500 in cash was received, a $44,500 deposit was made?

A. I don't remember that.

Q. Would you have received $5,500 back in cash?

A. I simply don't remember.

Q. Do you remember if it was you or the Congressman who did that?

A. I don't remember.

Q. Did the soybean deal, Mrs. Hansen, have anything at all to do with the fund-raising effort?

A. You know, as I was able to acquire funds that some of the money was put back into fund-raising.

Q. Well, the fund-raising was to garner some small sums under $100 from people around the country, is that correct?

A. Yes.

Q. That is what you were specifically asking permission to do?

A. Yes.

Q. That is not what you were doing with Nelson Bunker Hunt, is it?

A. Mr. Hunt was trying to help me to help myself. Mr. Hunt did nothing that a lot of other people haven't done for people who are looking for assistance.

Q. Mrs. Hansen, a year and a half later, or even more, there was a silver transaction in January of 1979, was there not?

A. That is correct.

Q. Did Mr. Hunt just simply call out of the blue and say, a year and a half later, "I think silver might be a good investment at this time"?

A. Mr. Hunt contacted me and told me I could get either in touch with Mr. Ming or Mr. Ming would get in touch with me. I don't recall the exact conversation because it has been a long time.

Q. Had there been communication between the soybean transaction and the silver transaction?

A. There could have been. I don't remember.

Q. Did you make any efforts or did he make any efforts to help you in between the soybean and the silver?

A. I don't think so.

Q. Mrs. Hansen, is it fair to say that you know as little about silver commodities, future commodities, as you do about soybean future commodities?

A. That is correct.

Q. Again, you were relying on someone else to give you advice?

A. That is what most people who deal in the market do.

A lot of people who deal in the market aren't all that knowledgeable.

THE COURT: Excuse me. Your answer is that you were so relying?

THE WITNESS: And I was again relying on a broker who was knowledgeable.

BY MR. WEINGARTEN:

Q. Mrs. Hansen, were you relying on Nelson Bunker Hunt or were you relying on Mr. Ming?

A. I was relying on Mr. Ming, at the advice of Mr. Hunt.

Q. Had you ever met Mr. Ming before?

A. No, I hadn't.

Q. Approximately how long did you talk to him on the phone, to your knowledge, before you were into the market?

A. I don't remember.

Q. Was it a long time?

A. Gee, that has been several years, too, and, you know, you talk to a lot of people. I talked to him several days or on several occasions.

Q. Mrs. Hansen, do you know, as you sit here, that on January 15th, the first day you would have spoken to Mr. Ming, you were in the market with contracts valued at close to $4 million?

A. I was not aware of that. It would have been very fortunate if I had made $4 million.

Q. You did make $87,000?

A. I did indeed, and I was very pleased.

Q. Do you know, Mrs. Hansen, whether or not the contracts that you eventually wound up with were first purchased in Mr. Hunt's account?

A. I am not aware of all the technicalities.

Q. Finally, you were relying on good Dr. Ming to carry through on this?

A. That is right. You remember our earlier conversation when I told you that when you were interrogating me in my husband's office a couple of years ago that if you needed help you went to a good doctor, and asked that doctor to recommend somebody, maybe a specialist in the field who could help you, and that was exactly what I did.

Q. You determined that Mr. Ming was a good doctor on January 16th, after a short telephone conversation?

A. I don't remember whether it was a short telephone conversation or not.

Q. Mrs. Hansen, what happened to the $87,000?

A. It was deposited in a bank.

Q. What bank would that have been?

A. A bank in Idaho, Pocatello.

Q. What is the name of that bank?

A. I believe it was First Security. I am not sure.

Q. Was that a joint account?

A. Yes, I believe it was.

Q. What happened to the money from there?

A. Again, I wasn't able to enjoy the $87,000. I did not get to take a trip or go anywhere. Again, the money was used to pay debts.

Q. What debts, Mrs. Hansen?

A. Debts that had been incurred because of the long, long hassle.

MR. WEINGARTEN: Your Honor, may we approach the bench, please.

THE COURT: Yes.

(Bench conference)

MR. WEINGARTEN: Your Honor, we have reached a stipulation with defense counsel about the $87,000. That was that piece of paper that was hastily written when a banker named Jones was on the stand. I believe this witness is testifying differently than that stipulation, and I think we should be entitled to get into the checks. The proffer we make is that George Hansen wrote checks to himself on the First Security Bank, deposited the money into a second Idaho bank.

THE COURT: Is this the stipulation you were referring to, this handwritten matter?

MR. WEINGARTEN: Yes.

THE COURT: It was Stipulation No. 3. Let me see if I can read it: "It is here By agreed and stipulated by the parties that the entire $87,475 silver profit deposited into the First Security Bank was used by George V. Hansen through checks written by George V. Hansen, with knowledge that it was the profit for the 1979 silver commodities transaction," and signed by the parties.

MR. LEWIN: I think what the witness has testified to is not inconsistent with that at all.

THE COURT: Let's hear and then, of course, I will listen to you.

MR. WEINGARTEN: My proffer is that George Hansen wrote a cashiers checks on the First Security Bank to himself. Those monies were deposited into a second Idaho bank and more checks were written to George Hansen. I submit that is different than paying debts, as Mrs. Hansen testified, and I would like to inquire of her about the use of the checks.

THE COURT: If she knows. She has testified one way. If she knows anything further, of course, you can make that inquiry.

MR. WEINGARTEN: I understand. I wanted to be careful and apprise defense counsel at the bench what I intend to do.

THE COURT: She has made one statement concerning she thinks it was in the First Security Bank in Idaho in a joint account. It was used to pay debts. It wasn't used for any personal living. Essentially that was her testimony as to that, as far as it went.

MR. LEWIN: If she is asked whether, if Mr. Weingarten asked her or if Your Honor will permit I will ask her, that in fact money was withdrawn from George V. Hansen through checks written by George V. Hansen, she would agree with that. I don't see any basis for saying it is contrary to the stipulation.

The purpose of the stipulation and the reason it was entered into was to avoid the necessity, as Your Honor will recall, of bringing in the checks and the amounts and those sorts of things, which would simply be inflammatory, would be prejudicial in various ways. That is why we entered into the stipulation. Mr. Weingarten doesn't like the fact that we entered into the stipulation right now so --

THE COURT: Mr. Lewin, excuse me, sir. That was when we were talking about the checks that were rather sizeable amounts, both in Arlington, and I guess in the First Security Bank, rather than having the entire statement come in for that particular period of time, it was agreed, also not to burden the record with extra paper, it was agreed as to the stipulation, am I correct?

MR. LEWIN: I think, Your Honor, the transcript would show that the stipulation grew out of an extended discussion here at the bench in which I made the point that a whole number of checks were written, and the statement was simply raising another suggestion that Mr. Weingarten would be trying to make to the jury. It was not going to an issue in this case. Consequently, the whole thing could be stipulated to, the fact that Mr. Hansen had withdrawn the funds. Your Honor said, "Fin let's see if you can work out a stipulation." We worked out that stipulation.

THE COURT: That is right.

MR. LEWIN: If the witness is asked whether Congressman Hansen withdrew the funds, I think she would agree that he did.

THE COURT: Why don't we see what the witness knows.

MR. WEINGARTEN: I am going to cross-examine her on --

THE COURT: Of course you can cross-examine her.

MR. WEINGARTEN: -- on these checks.

THE COURT: You can ask her what she knows. If you want to use the checks, fine.

MR. WEINGARTEN: Okay. The Court did rule, before the stipulation, that we were permitted to use that he is collection. The government's effort was to avoid a possible collateral issue, so we stipulated.

THE COURT: I remember that.

MR. WEINGARTEN: I think this witness has turned the tables by saying this money was used to pay debts. I am only up here to be careful.

THE COURT: I understand that. This witness' memory is fairly vague on a number of points. That wasn't vague. She said very clearly and added some extra words that she wasn't asked about, that she didn't use it for personal things, she didn't use it for this or that. She wasn't asked that but -- she wasn't asked specifically everything about this, I certainly agree with you, Mr. Lewin, if that is the point that is being made. She was not asked each point by point that is here in this stipulation.

MR. LEWIN: There is only one point in that stipulation, whether Mr. George V. Hansen withdrew that, and Mr. Weingarten didn't ask her that. If Mr. Weingarten asks her, I believe the witness would say yes.

THE COURT: It says, "Was used by him through checks written by him." She said it was put in the joint account used to pay debts.

MR. LEWIN: And he may very well have --

THE COURT: She didn't say whether they were joint debts or her debts or whether they were his debts, that is true.

You may cross-examine, Mr. Weingarten. Thank you for coming up here and being prudent.

(End of bench conference)

BY MR. WEINGARTEN:

Q. Mrs. Hansen, you have testified that the $87,000 silver profit, I believe, went into the First Security Bank, is that correct?

l

A. I believe that is correct.

Q. Mechanically, ma'am, what happened with the money thereafter, do you know?

A. I am not certain, except that I know the money was used to pay debts, to pay outstanding loans and so forth.

Q. Do you know, ma'am, whether or not Mr. Hansen wrote cashier's checks to himself and then deposited those cashier's checks in the Idaho State Bank in Glenns Ferry?

A. That could be so, but it would not have been without my knowledge, and it being okay with me. That has been a long time.

Q. Perhaps I can refresh your recollection with some checks.

DEPUTY CLERK: Government's Exhibits 73A, B, C and D marked for identification.

(Whereupon, Government's Exhibit Nos. 73A-73D were marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, let me approach you with some checks marked Government's Exhibits 73A, B, C and D.

MR. LEAIN: Could I see those checks first, please?

BY MR. WEINGARTEN:

Q. I would ask you, ma'am, if you could identify these? Some of the copies are not great, but I think if you strain, you can make them out.

A. They are very poor copies.

Q. Can you tell well enough that they are checks from the First Security Bank on a joint account?

A. Yes.

Q. Can you tell well enough whether or not they are signed by George Hansen?

A. That is correct.

Q. Can you make out the amounts, ma'am?

A. Yes, I think so.

Q. Could you please tell the jury?

A. One is for $30,000. You might have to correct me on this, because I can't really tell. One is for 43. It appears that one is for 25 and another one for 30.

Q. Ma'am, is it your recollection that those checks supported the cashier's checks?

A. I don't remember, in the vaguest, what these checks were.

Q. Were they made pursuant to your instruction?

A. I didn't give my husband daily instructions.

Q. Who are those checks made out to?

A. One is made out to First Security. They are all made out to First Security Bank.

Q. They are signed by whom?

A. They are signed by George Hansen.

Q. Is there a notation in the note line for what the purpose of those checks were?

A. Cashier's checks.

DEPUTY CLERK: Government's Exhibits 74A through D marked for identification.

(Whereupon, Government's Exhibit Nos. 74A-74D were marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, I show you 74A through D. See if you can tell whether or not these are cashier's checks that were supported by the checks indicated by Government's Exhibit 73?

A. It appears that that is so.

Q. Are there also deposit slips attached to those cashier's checks?

A. I see one deposit slip. Here are others, yes.

Q. Are not all those cashier's checks deposited in the Idaho State Bank?

A. Yes.

MR. WEINGARTEN: We move into evidence at this time Government Exhibits 73 and 74 in their entirety.

THE COURT: Do you want a bench conference?

MR. LEWIN: Your Honor, may we approach the bench?

THE COURT: You may.

(Bench conference)

MR. LEWIN: Your honor, I submit again that this witness has indicated she knows nothing about these documents, that all that has happened is Mr. Weingarten has sort of bullied her into stating what the documents are and what they appear to be on their face, and in view of Your Honor's ruling that these things can be admitted, he is just launching off into irrelevant issues that have nothing to do with the issues of the case.

That is simply going to be extending this trial extraordinarily, and I submit that they are irrelevant, that there is no foundation for the documents, and that they should not be admitted and they are contrary to the understanding that we had arrived at at the time of the stipulation that there was no reason to have these, that he is now simply putting them in in an effort to try and inform the jury of issues that have nothing to do with the issues of this case. Your Honor is permitting him to do this by your ruling.

MR. WEINGARTEN: I think this is legitimate cross-examination of a witness who testified those monies were used to pay family debts.

THE COURT: She has answered that way, Mr. Lewin. This is her response, that it was in a joint account, it was in the First Security Bank, this was her money, her $87,000, that she doesn't remember the vaguest what they were, that she doesn't give her husband daily instructions and the monies, she doesn't know what has happened to it. It doesn't support the stipulation, her testimony. I think that is clear, isn't it?

MR. LEWIN: I don't think so. It does support it. The stipulation says that they were written by George V. Hansen. It is entirely consistent with the stipulation, Your Honor, entirely, 100 percent, because the checks were written by George V. Hansen. The stipulation says they were used by George V. Hansen they were checks written by George V. Hansen. Mr. Weingarten is putting them in.

THE COURT: I think it said they were used by George V. Hansen, and she used it to pay debts.

MR. LEWIN: She did not. She said they were used to pay debts. And the point, I have said again, that if Your Honor were to ask her or anybody were to ask her, weren't these checks written out by Mr. Hansen, she would say, "Yes, they may very well have been." It is not inconsistent with the stipulation.

Mr. Weingarten is simply running away with this matter right now and trying to introduce prejudicial, irrelevant matters because Your Honor has permitted him to do it on this purported claim with regard to a witness who does not recognize these documents and we are just going to be here for days or weeks.

THE COURT: We won't be here for days or weeks. It is in evidence over objection.

(End of bench conference)

(Whereupon, Government's Exhibit

Nos. 73,74 were received into evidence)

BY MR. WEINGARTEN:

Q. Mrs. Hansen, when we went to the bench, I think we were talking about Government's Exhibits 74. Those were the cashier's checks, are they not, that were deposited in the Glenns Ferry Bank, is that correct?

A. It appears that that is so.

Q. Was that done at your direction, ma'am, do you remember?

A. Mr. Weingarten, I didn't give my husband explicit directions, but he had my permission to use monies that were mine.

Q. How were the monies used from the Idaho State Bank at Glenns Ferry?

A. Pardon?

Q. The $87,000 now resides at the Glenns Ferry Bank, does it not?

A. I can't answer that question.

Q. Those cashier's checks were deposited in the Glenns Ferry Bank?

A. Yes.

Q. So it appears that the silver profit went from the First Security Bank to the Glenns Ferry Bank by cashier's checks deposited by someone, I guess? Was it by you or by Congressman Hansen?

A. Well, the cashier's checks were taken care of by my husband, but I don't remember all the intricate details.

Q. The question is, how were debts paid from the monies that are now at the Glenns Ferry Bank?

A. I can't answer that question.

MR. WEINGARTEN: Government's Exhibit 75.

Mark them in a bunch.

BY MR. WEINGARTEN:

Q. While those are being marked, what are the dates of the deposits of the cashier's checks?

A. 1-22-79, 1-23-79, 1-24 and 1-26.

Q. Just the the dollar amount of the cashier's checks, if you would, please?

A. $30,000, $28,000, $30,000 and $43,000. Weren't those the ones that I had read to you before?

Q. The cashier's checks were supported by the checks written on the First Security Bank, isn't that correct?

A. It appears that that is so.

Q. Now, Mrs. Hansen, do you recall whether or not some checks were written on the Glenns Ferry Bank?

A. That was a long time ago, and I do not recall.

Q. The focus is January 22nd, and the days following, 1979.

A. I don't understand what the point is.

Q. You have testified, have you not, that the silver profit that reached you on January 22, 1979, was used to pay debts, is that correct?

A. That is correct.

Q. Now, the silver profit was taken out of the First Security Bank by cashier's checks and placed in the Glenns Ferry Bank, was it not?

A. It appears that that is so.

Q. What happened to the money once it got to the Glenns Ferry Bank?

A. I don't know.

Q. When would the money have started to arrive at the Glenns Ferry Bank?

A. I don't know how long it took the money to get from one bank to the other.

Q. Well, the deposit slip is there. When would the money have been deposited?

A. 1-22, 1-23, 1-24 and 1-25.

Q. Do you recall if you were physically in Idaho to accomplish that or was your husband physically in Idaho to accomplish that?

A. I don't believe that either of us were there.

Q. How would that money have been deposited then?

MR. LEWIN: This continues the line of speculation which Mr. Weingarten has been going on for the last hour.

THE COURT: If you know, ma'am. We don't want you to speculate, just if you know.

THE WITNESS: Congress is usually in session at that time.

THE COURT: You don't know?

THE WITNESS: I don't recall.

DEPUTY CLERK: Government's Exhibits 75A through 75J marked for identification.

(Whereupon, Government's Exhibit Nos. 75A-75J were marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Hansen, I show you what have been marked as Government's Exhibits 75A through J and ask you if you can identify them, ma'am?

A. What am I supposed to identify?

Q. Have you ever --

A. They are more copies of checks.

Q. On what bank, ma'am?

A. The Idaho State Bank.

Q. What dates, ma'am?

A. 24 January, 1979. There are a lot of them here. Do you want me to read them all?

Q. Why don't you see if you can find a range of dates.

MR. LEWIN: May we approach the bench?

THE COURT: Yes.

(Bench conference)

MR. LEVIN: Can Mr. Weingarten bring up the checks, please?

THE COURT: I believe the witness left them there.

MR. LEVIN: This is speculation upon speculation on checks which the witness has not seen. Mr. Weingarten is simply asking her questions in order to drag in irrelevant evidence.

THE COURT: Excuse me. Let me interrupt you at one point. She has not said she hasn't seen them. It has not been made clear. Maybe she hasn't seen them. They are on an account that bears two names.

MR. LEVIN: I think, Your Honor, that I have asked throughout, with regard to all this matter, that the matter of her knowledge with regard to these things, if I can engage in a voir dire with her as to these checks, this is going to be an endless, just simply time consuming, irrelevant line that Mr. Weingarten knows he is pursuing and it is irrelevant. He is simply pursuing it in order to clutter up the record and for ends that have nothing to do with this case wide.

THE COURT: They have nothing to do with this case, Mr. Weingarten?

MR. WEINGARTEN: I would say the benefit and the use of the $37,500 is perhaps the single most important issue in this case. I think I should be able to pursue it wherever it goes.

MR. LEVIN: Nobody has disputed the fact that Congressman Hansen wrote out the checks and benefited from the $87,000. That was the stipulation that we had entered into and it was precisely in order to avoid doing something like this, and yet, I submit, Your Honor, Mr. Weingarten, knowing that we have stipulated to that, knowing that this is simply prejudicial and serves totally purposes having nothing to do with this litigation, is going into this.

MR. WEINGARTEN: Mrs. Hansen testified that the monies from the silver profit were used to pay off family debts. I think I am entitled to ask her how family debts were paid off with checks written out to George Hansen amounting to the silver profit.

THE COURT: Well, I think you have to first ask her if those were the monies that were from the silver profit. I mean, that is the foundational question.

MR. LEVIN: The question is, does she know these checks? Why are these checks going into evidence, Your Honor? Why are these checks going into evidence? I ask Your Honor to please ask yourself that question, why is Mr. Weingarten putting these checks into evidence, except for things that have nothing to do with this litigation?

MR. WEINGARTEN: Use of the silver profit money is central. We have a property separation agreement raised by the defense where the property was separated between the parties.

Silver monies were generated for Mrs. Hansen by Nelson Bunker Hunt. How those monies were used is crucial to this litigation.

MR. LEWIN: The fact that the money was used by Congressman Hansen has been stipulated. There is no question about that. Whether they were checks that were written, and there was a cashier's check and another check, a number of checks in whatever amount it is with regard to these banks, again is not at issue in this case. The fact that Congressman Hansen used it was stipulated. And I have yet to hear from Mr. Weingarten why these particular checks are going into evidence and why even a prior series of checks going into evidence is being done for anything other, and I will tell Your Honor directly, to blacken the Congressman's name in terms of this litigation for things that have nothing to do with this litigation. And I submit that --

THE COURT: You are representing these checks have nothing to do with the $87,000?

MR. LEWIN: I am representing that if we have stipulated, as we have, that Congressman Hansen used the funds and that he withdrew them, then the precise checks, this precise series of checks, has nothing to do with any issue in this litigation, yes, Your Honor.

THE COURT: She has testified they were used to pay off debts.

MR. LEWIN: She has testified, Your Honor, they were used by Congressman Hansen, that she permitted him to use them and that with regard to debts, or with regard to expenses, I don't believe that Mr. Weingarten can prove whether or not that there were particular debts. He is simply putting in these checks, as I say, for prejudicial and inflammatory purposes.

MR. WEINGARTEN: He has represented there were no debts and this is impeachment of Mr. Lewin's witness.

THE COURT: You may use them, Mr. Weingarten. We have all heard the testimony in this case.

(End of bench conference)

BY MR. WEINGARTEN:

Q. Mrs. Hansen, Government's Exhibits 75A through J, the series of checks before you, would you look at them, please. Is it fair to say, ma'am, they are all checks written on the Idaho State Bank at Glenns Ferry?

A. That is correct.

Q. Is it fair to say they are written on a joint account between you and Congressman Hansen?

A. That is correct.

Q. Is it fair to say they were all written on January 23rd, 24th, 25th or 26th?

A. Through January 29.

Q. I am sorry, 29. Is that a fair statement?

A. That is a fair statement.

Q. How many checks are there?

A. It appears that there are ten.

Q. Is every check signed by Congressman Hansen?

A. That is correct.

MR. WEINGARTEN: We move them into evidence at this time, Your Honor.

THE COURT: Over objection. They are in evidence.

(Whereupon, Government's Exhibit Nos. 75A-75J were received into evidence).

BY MR. WEINGARTEN:

Q. Would you take them one by one and please read to whom they are made out to, by who they are signed, the date and the amount?

A. Does it matter which one?

Q. If you want to do it chronologically, I think they are marked that way. If they aren't, it doesn't matter.

A. January 29, George Hansen.

Q. The amount, ma'am?

A. $9,930.

Q. Is it made out to George Hansen?

A. Yes, it is.

Q. Is it signed by George Hansen?

A. Yes, it is.

Q. Please give us four pieces of information for each check, the date, the amount, who it is made out to and who signed it.

A. Okay. January 29th, George Hansen, $9,915; 24th of January, George Hansen, $9,000; 22nd of January, $9,945; January 27th, George Hansen, $9,500; 26th of January, $9,920; 25 January, $9,925; 25 January, George Hansen, $9,930; 24 January, $9,935; and George Hansen on 23rd of January, $9,940.

Q. Is it fair to say that all the checks that are represented by that exhibit were checks written by George Hansen to George Hansen?

A. That is what the checks say.

Q. Is it fair to say that all those checks were written after the cashier's checks were deposited in the Glenns Ferry Bank?

A. It appears that that is so.

Q. How did those checks help to pay the family debt?

A. I can't relate that to you at this time.

Q. Mrs. Hansen, did the silver transaction have anything to do with the fundraiser?

A. Which fundraiser?

Q. The fundraiser that you sponsored or that you triggered, monies that went into the Connie Hansen Special Fund? Is it fair to say that the silver transaction with Bunker Hunt that netted the $87,000 profit was totally unrelated to the fundraiser that was in your name?

A. I can't answer that question.

Q. Were they the same things? I mean, did the monies go together? Were they related in any way at all?

A. I can't answer that question. I don't really know.

Q. The question is I think simpler than you probably think it is. You sent out a bunch of letters looking for contributions, is that fair?

A. That is correct.

Q. The silver transaction was totally unrelated from that?

A. Yes.

Q. Mrs. Hansen, why wasn't the $87,000 profit used to pay off the Bunker Hunt loan?

A. Because we had more things at the time that were of greater pressure.

Q. Mrs. Hansen, when the FBI came by your office with this blackmail thing, you were fingerprinted so that the known fingerprints on the letter would not be confused with the blackmailers, isn't that true?

A. That is what you said but I didn't believe it.

Q. Was I there then?

A. I believe you were.

Q. During the blackmail?

A. Pardon me?

Q. During the blackmail interview in April of 1981?

A. You were there on a couple of occasions.

Q. I was in your office on a couple of occassions, Mrs.

Hansen?

A. Yes, you were. I remember two specifically.

Q. Okay. I am not going to argue with you.

A. Mr. Weingarten, isn't it true that you did see the blackmail letter?

THE COURT: Ma'am. The questions come from counsel, either counsel, to the witness, rather than the witness to counsel.

THE WITNESS: Isn't the question related?

BY MR. WEINGARTEN:

Q. At least it was represented to you by someone that you and your husband and Mr. Irwin and anyone else who may have touched the blackmail letter were being fingerprinted so that known specimens on the blackmail letter would be eliminated, wasn't that the reason?

A. That is what was said but I did not believe it.

Q. Mrs. Hansen --

A. I felt that the letter possibly was a concoction of some kind and I was very scared when we received that letter. I feared for my very life. I was very offended that we were never told that the blackmailer was never picked up. I didn't know but what he was running around maybe going to harm someone in our family.

Q. Mrs. Hansen, you have testified that the Secretary of the Army is a frequent caller to your husband's office?

A. The Secretary himself is not, but his office does call.

Q. Do you know what business your husband had with the Secretary of the Army in November, 1981?

A. I don't recall.

Q. How about in July of 1981, do you have any idea what he was doing?

A. There are lots of calls that come through that office and I don't remember every exact call.

Q. Do you know the full extent of your husband's relationship with a man named Reade and a man named McAfee?

A. Yes. I have met those gentlemen. I know those gentlemen not on an intimate level but, yes, I do know them.

Q. Some loans were made?

A. That is right.

Q. Whose loans were they?

A. They were, I believe, loans that perhaps someone else could explain to you better than I could. They were for the taxpayers organizational thing and some other things, but I can't really give you an accurate answer on that.

Q. Well, the loans were paid off, were they not?

A. I can't even answer that question.

Q. You don't know if the loans were paid off?

A. I believe they have been.

Q. They were paid off by you, weren't they?

A. Well, Mr. Weingarten, I think that --

Q. You and your husband?

A. I would imagine so.

Q. They were paid off on a joint account shared by you and your husband, isn't that true, ma'am?

A. I would assume that that is so.

Q. And interest paid on those loans was deducted on your tax return, was it not, Mrs. Jansen?

A. I don't know.

Q. I would like to show you a tax return, please.

A. Like I say, Mr. Weingarten, our accountant took care of our tax return. I couldn't fill out one of those forms if someone were threatening me with my life.

DEPUTY CLERK: Government's Exhibit 76 marked for identification.

(Whereupon, Government's Exhibit No. 76 was marked for identification).

BY MR. WEINGARTEN:

Q. Mrs. Jansen, I hand you what has been marked as Government's Exhibit 76. It appears to be a tax return, 1982. It appears to have your name and your husband's name on it, does it not?

A. I wouldn't dare argue with a 1040 form.

Q. Under Schedule A and B, ma'am, is there not a place for you to deduct interest so that your taxes won't be so high?

Do you see that, ma'am?

A. Yes, I do.

Q. You have attached a schedule to that on the back of your tax return, have you not?

A. It appears that that is correct.

Q. In that schedule, ma'am, is there not listed an interest expense from the Miners & Merchants Bank?

A. That is right.

Q. How much is there?

A. $13,079.

Q. Those are interest payments that you and your husband made on those loans from Mr. Meade and Mr. McAfee, are they not?

A. I would assume that is so.

MR. WEINGARTEN: Thank you, ma'am. No further questions.

THE COURT: Redirect.

REDIRECT EXAMINATION

BY MR. LEWIN:

Q. Mrs. Hansen, Mr. Weingarten began this afternoon, I believe, by giving you and placing before you a number of warranty deeds and mortgages. I don't know whether you still have them before you. Are those documents some that you read at any time before?

A. I am certain that I probably have read them.

Q. Have you read them through? I mean, are these documents that were given to you either for signature or something in the course of some closing or meeting or something like that where somebody said, "Sign it"?

A. Like most business transactions, in some legal document, when you are dealing in these matters, lots of times you don't read all the fine print, just like I don't read the fine print that comes with my washing machine or my electric iron or whatever.

Q. So in terms of a warranty deed or a deed of trust and all those things, those are legal papers, aren't they?

A. That is right.

Q. Now, with regard to the indication on those legal papers that they were transfers of property from Congressman Hansen and yourself to various persons, isn't it a fact that Mr. Runft told you that there was no restriction on your being a joint owner of property with Congressman Hansen, from and after the property separation agreement?

A. That is right, we have been married for 31 years and there was never any intention that we would ever sever our relationship.

Q. Was it explained to you that you could continue to hold property jointly, if you so chose?

A. That is right.

Q. With regard to matters such as the series of statements of financial condition which were submitted to banks, was there any indication given you, by Mr. Runft, that there was anything improper or impermissible in terms of Congressman Hansen continuing to represent you and him as being co-owners of the real property that you owned?

A. None whatsoever.

Q. Did he ever tell you you couldn't do that in the future?

A. No.

Q. Did you rely on Mr. Runft in terms of the legal consequences of that property separation agreement?

A. Absolutely.

Q. Mr. Weingarten has directed your attention to the fact that at the bottom of each of Government's Exhibit 55A, B, C, D, and E appears a statement that says, "Political assets and liabilities not included".

Now, those are forms, basically, that your husband filled out, is that right? His signature appears in the lower right hand corner?

A. Yes.

Q. He had you read from each of those forms a line that said above the political assets and liabilities not included, "a net worth figure?"

A. Those net worth figures look awfully bloated and it makes it appear that we would have many more resources than we had.

Q. In fact, there were a substantial number of liabilities that were included in that note with regard to political assets and liabilities which are described down at the bottom, which are noted at the bottom of those forms, is that not right?

A. That is correct.

Q. With regard to those liabilities, they were a matter of public notice throughout Idaho, weren't they?

A. That is correct.

Q. Do you think there is any banker in Idaho who didn't know about George Hansen's substantial liabilities?

A. I think that probably 95 percent of the people in Idaho know about everything we have ever done in our entire lives.

Q. With regard to all these documents that Mr. Weingarten has asked you about before, I think you testified on direct examination that your formal education finished with high school?

A. That is right, and I barely got through Algebra I.

Q. You haven't had any higher education, no college training whatever?

A. No.

Q. Mr. Weingarten kept showing you entries on your tax returns. Did you examine every item on those tax returns before you signed them?

A. No way. Mr. Caldwell has been our accountant for many years. He has taken care of these things legally and properly for us. He is a very reputable individual and, like I said earlier, I would not attempt to argue with an accountant over a tax return.

Q. So what did you do with regard to those tax returns?

A. I signed them. I took it for granted that they were correct.

Q. I think he directed your attention to a statement on the tax return as to a piece of property that you had sold that you owned it jointly. That was in fact true, you did own it jointly, didn't you?

A. That is true.

Q. But you didn't read that line any way, did you, before you signed it?

A. No.

Q. Mr. Weingarten has taken you through a whole series of financial transactions relating to the proceeds of that [illegible] loan. Did you have any personal knowledge of any of those sequence of checks? I mean, have you ever seen those checks before?

A. No, I haven't. I don't think I have. There is a possibility that I might have, but they certainly aren't fresh in my memory.

Q. So you cannot explain, as you are sitting there on the witness stand, exactly what those transactions consist of?

A. No.

Q. But you know that you authorized your husband to use that $27,000?

A. That is correct, and my husband has never done anything that would lead me to believe that he would not act properly in any business transaction.

Q. There is one point, I think, Mrs. Hansen, where you said, in answer to a rapid fire series of questions from Mr. Weingarten, that you think you told Mr. Henry about the property separation agreement.

Let me just refresh your recollection. Mr. Henry was the gentleman you saw in April or May, I am sorry, of 1977, and that was before the property separation agreement. I mean, do you recall having said anything to Mr. Henry about it?

A. I recall visiting with Mr. Henry and I recall explaining to him what I was going to attempt to do, and I don't recall if anything was said precisely about a property settlement. I might have told him that I was planning to have something of this nature done, but I do not recall my exact conversation with Mr. Henry.

Q. That was in the course of discussion about the loan that Mr. Hunt had arranged for you to have from the First National Bank of Dallas?

A. That is right.

Q. Now, the property settlement agreement had certain consequences that Mr. Runft told you about, did they not, in terms of long term consequences?

A. Yes.

Q. I think you have testified about that on direct examination, that you understood those?

A. Yes.

Q. Did he indicate in any way that your life was to be changed in terms of the way you were living day-to-day, because of the existence of the property separation agreement?

A. No, and you know, when you have been married for a great number of years and raise your family, and you get into a serious dilemma, you look for a way to solve the problem, you don't just say, "Okay, today I am going to do this, this and this, and I am going to confer with my lawyer on every step that I take." It just isn't possible to live that way.

Q. So you looked to your lawyer to solve the problem within the context of your day-to-day life, is that right?

A. That is correct.

Q. He came up with this solution, which he offered to you, is that right?

. That is right.

Q. Mr. Weingarten said repeatedly, I think, in questioning you at one point, that you had made some representation to the House Ethics Committee or to the public that every cent of what was raised by your public solicitation would be -- I forget his exact words, carefully secured in some way, or something or other. Do you recall any other such particular language?

A. I don't.

Q. Let me show you what I have marked as Defendant's Exhibit 42 for identification and specifically direct your attention to what I guess is the paragraph that he is referring to, as he so indicated, the next to the last paragraph. First of all, what is Defendant's Exhibit 42 for identification?

A. Would you like me to read it?

Q. No, I just want to ask you what is Defendant's Exhibit 42 for identification?

A. It is a letter that I sent. It was a letter of solicitation to raise funds.

Q. That was a letter that you sent to the public to solicit the funds that you were able to do as a result of entering into a property settlement agreement, is that right?

A. That is correct.

Q. That went out to the public at large?

A. Yes, it did.

Q. Now, would you read for us, please, that next-to-the-last paragraph?

A. "I promise you that I will deposit your donation promptly into a special bank account I have set up to pay off these debts."

Q. That he understands the paragraph, right?

A. Yes.

Q. Did you keep that promise, Mrs. Hansen?

A. To the best of my ability.

Q. You took every penny that came in and put into a special bank account, the Connie Hansen account that Mr. Weingarten had been referring to?

A. That is correct.

Q. Was there anything in that letter that said that in some way restricted that any further beyond the fact that it was to be deposited in the account and then used for the purpose as described in the letter?

A. There were no restrictions.

Q. No. So that that is the promise that Mr. Weingarten was referring to? Is there any question in your mind about the fact that you carried out that promise?

A. No, I felt it was done to the best of my ability.

THE COURT: Anything further? Mr. Lewin, does that finish your examination?

MR. LEWIN: Yes.

RECROSS EXAMINATION

BY MR. WEINGARTEN:

Q. The whole point of the advisory opinion from the Ethics Committee, is that you were not permitted, nor was your husband permitted, to raise money on his behalf, is that correct?

A. Mr. Weingarten, I wrote the Ethics Committee a letter, and I believe you probably have a copy of that letter, and I received a response from them telling me that in no way were they restricting me from raising funds.

Q. Mrs. Hansen, is not the property separation agreement a response to the Ethics Committee rule that said you were not permitted to raise money on behalf of your husband?

A. If you will read the letter that I wrote to the Ethics Committee, you will see I told them in the letter that I was not a member of Congress, therefore I was not subject to their laws.

Q. Mrs. Hansen, were you under the impression you could go out and raise as much money as you wanted an then simply turn around and give it to your husband?

A. The Ethics Committee did not tell me that I could not raise money.

Q. Mrs. Hansen, what liabilities were there that are not represented by the financial statements that you have seen?

A. Mr. Weingarten, there were numerous ones, but I can't relate it all to you right now.

MR. WEINGARTEN: Thank you, ma'am.

THE COURT: Anything further?

MR. LEVIN: We have no further questions.

THE COURT: You are excused, Mrs. Hansen. I would ask, of course, that you not discuss your testimony with any other possible witness in this case, except, of course, Mr. Hansen, who is present in the courtroom. You are excused. You can leave the documents up there, if you wish.

We are going to take, ladies and gentlemen, a ten minute recess. That is our stretch for the evening. We will come back and then continue testimony until about 7:00 tonight. Ten minute recess for everyone.

(Recess at 5:15 p.m.)

AFTER RECESS:

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

THE COURT: YES.

AT THE BENCH:

MR. WEINGARTEN: WE USED GOVERNMENT EXHIBITS 71 AND 76, TAX RETURNS FOR 1979 AND 1982, AND I UNDERSTAND THERE IS A SENSITIVITY ABOUT THE WHOLE RETURN AND I THOUGHT WE MIGHT MOVE INTO EVIDENCE THE PORTIONS REFERRED TO BY THE WITNESS.

THE COURT: THE PORTION THAT DEALT WITH THE INTEREST

MR. WEINGARTEN: YES, AND IN ADDITION THERE WAS REFERENCE TO REAL ESTATE.

THE COURT: ON ONE RETURN I THINK ONLY.

MR. LEWIN: YOUR HONOR, THE WITNESS TESTIFIED AND SPECIFICALLY STATED AND CORROBORATED WHAT WAS ON THE TAX RETURN.

I DON'T SEE WHY THE TAX RETURN ITSELF SHOULD BE IN EVIDENCE. NOT ONLY BECAUSE THERE IS SENSITIVITY, BUT I THINK THERE IS A LEGAL INTEREST.

UNDER SECTION 6103 OF 26 U. S. C., THERE HAS TO BE A SHOWING THAT THE RETURN IS NECESSARY ITSELF. AND SINCE THE WITNESS DID STATE AND ACCEPT WHAT APPEARED THERE IN THE RETURN THERE'S NO NEED FOR THE RETURN TO BE INTRODUCED INTO EVIDENCE.

MR. WEINGARTEN: THE DOCUMENT REPRESENTS AN ADMISSION OF THE MATERIAL ISSUE OR ISSUES AND I WOULD LIKE TO BE ABLE TO USE IT PHYSICALLY PERHAPS WITH OTHER WITNESSES OR IN CLOSING ARGUMENT. IT IS PERFECTLY REASONABLE.

MR. LEWIN: THE WITNESSES AGREED THAT EXACTLY WHAT IS IN THE DOCUMENT IS TRUE, AND THE TRANSCRIPT SHOWS IT, AND WE CAN STIPULATE TO IT AGAIN. HE CAN QUOTE. WE HAVE DAILY TRANSCRIPT. HE CAN QUOTE FROM THE TESTIMONY AT CLOSING ARGUMENT.

WHY MUST THE SPECIFIC TAX RETURN BE IN EVIDENCE? PARTICULARLY, WHEN THERE IS A STATUTE AND THE TAX PRIVACY ACT WHICH INDICATES THAT SHOULD NOT BE DONE JUST GRATUITOUSLY.

MR. WEINGARTEN: IT IS NOT GRATUITOUS. IT IS A PROBATIVE ISSUE. THAT IS THE TEST. I AM NOT OFFERING ANYTHING THAT IS NOT DIRECTLY RELEVANT TO THE ISSUE.

THE COURT: MAY I SEE THE ONE PAGE THAT WAS REFERENCED? THE INTEREST PAGE. THIS IS 1979.

THE SALE OR EXCHANGE OF PERSONAL RESIDENCE WHICH MRS. HANSEN REFERRED TO.

MR. LEWIN: THERE WAS ONE LINE, THIS LINE, WHICH HE REFERRED THE WITNESS TO. SHE READ IT AND SAID YES. WHY IS ALL THE OTHER INFORMATION ON THERE?

THE COURT: WELL, THE OTHER INFORMATION, I AGREE, WOULD NOT BE RELEVANT. IF IT WERE TO BE USED, MR. WEINGARTEN, IT WOULD HAVE TO HAVE THE PAGE BLANKED OUT SAVE FOR THE SIGNATURE AND JUST AS TO THAT ONE LINE.

MR. WEINGARTEN: I PROPOSE TO DO WHAT WE DID BEFORE. THEIR SCHEDULE C IS IN EVIDENCE. ONLY THE RELEVANT PART. IN ADDITION, WE OFFER THE INTEREST STATEMENT WHICH WAS ATTACHED TO

THE SCHEDULE A AND B IN THE SAME RETURN.

THE COURT: THE SAME RETURN?

MR. WEINGARTEN: NO. THE ONE FOR 1982. I WOULD ALSO LIKE THE INTEREST PORTION FROM THIS RETURN.

THE COURT: WITH THIS REFERENCE BY MRS. HANSEN?

MR. WEINGARTEN. YES.

THE COURT: WHERE IS THE INTEREST PAGE?

MR. COLE: IF I MAY, YOUR HONOR?

MR. LEWIN: ON GOVERNMENT EXHIBIT 76, FOR EXAMPLE, THERE ARE OTHER PARTS THAT ARE TOTALLY IRRELEVANT.

MR. WEINGARTEN: THEN WE WILL WIPE THOSE OUT.

THE COURT. IN SHORT YOU WERE INDICATING AS TO THE 1982 FORM, YOU ARE INDICATING THAT THE LAST SHEET THAT WAS ATTACHED TO THAT FORM WHICH WAS DESIGNATED, GEORGE V. HANSEN SCHEDULE A-1, AND "STATEMENT-INTEREST " WHICH IS ALL THE INTEREST AND FIGURES ASSOCIATED IN THAT. YOU ARE ONLY INTERESTED IN MINORS AND MERCHANTS BANK OF $13,079.00, AREN'T YOU?

MR. WEINGARTEN: ABSOLUTELY.

MR. LEWIN: IF HE WHITES OUT THE REST OF IT, THAT IS ALL RIGHT.

THE COURT: AND THE TOTAL?

MR. WEINGARTEN: ABSOLUTELY.

MR. LEWIN: AND HE WOULD WHITE-OUT EVERYTHING BUT THAT ONE LINE ON THAT RESIDENCE THING?

MR. WEINGARTEN: AND IN ADDITION THE OTHER THING WOULD BE THIS PORTION.

THE COURT: FOR THE RECORD, THIS PORTION IS SCHEDULE A OF 1979 TAX RETURN AND THIS PORTION IS INTEREST AND EXPENSE SECTION. ON LINE 17, IT SAYS HOME MORTGAGE, $16,768.00.

DID WE HAVE THE VARIOUS BANKS AND OTHERS? I KNOW WE HAD THE $818.00 FOR OTHERS. AND VARIOUS BANKS.

MR. LEWIN: THEY WERE ALL TESTIFIED TO. I HAVE NO PROBLEM IF THE REST OF THAT PAGE IS WHITED-OUT.

THE COURT WHEN YOU SAY THE REST OF THE PAGE, ARE YOU STIPULATING, GENTLEMEN, IT WOULD SAY SCHEDULE A&B, 1979, AND SAY GEORGE AND CONNIE S. HANSEN WITH THE SOCIAL SECURITY NUMBER?

FAIR ENOUGH.

MR. LEWIN: AGREED.

THE COURT: IT WILL BE DONE. YOU CAN TAKE CARE OF IT TOMORROW.

IN OPEN COURT:

THE COURT: MAY WE HAVE OUR JURY BACK?

(JURY ENTERS AT 5:30 P.M.)

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, WE WILL CONTINUE WITH THE TESTIMONY. MR. LEWIN?

MR. LEWIN: THE DEFENDANT CALLS JAMES MCKENNA.

WHEREUPON,

JAMES T. MCKENNA

WITNESS CALLED BY THE DEFENDANT, HAVING BEEN DULY SWORN, WAS

EXAMINED AND TESTIFIED AS FOLLOWS.

THE COURT: GOOD AFTERNOON, MR. MCKENNA.

THE WITNESS: GOOD AFTERNOON, YOUR HONOR.

DIRECT EXAMINATION

BY MR. LEWIN:

Q. MR. MCKENNA, COULD YOU PLEASE STATE AND SPELL YOUR FULL NAME?

A. JAMES T. MCKENNA. M C CAPITAL K E N N A.

Q. AND MR. MCKENNA, HOW ARE YOU EMPLOYED?

A. I AM A LEGISLATIVE AIDE TO CONGRESSMAN HANSEN.

Q. ARE YOU ALSO AN ATTORNEY?

A. YES, SIR, I AM.

Q. AND COULD YOU PLEASE TELL THE COURT AND JURY WHAT BARS YOU ARE A MEMBER OF?

A. I AM A MEMBER OF THE BAR OF THE STATE OF NEW YORK, THE SOUTHERN AND EASTERN DISTRICTS OF THE FEDERAL COURT IN NEW YORK, THE SECOND CIRCUIT, AND THE FOURTH CIRCUIT.

Q. THOSE ARE COURTS OF APPEALS?

A. I AM SORRY. THE SECOND CIRCUIT COURT OF APPEALS AND THE FOURTH CIRCUIT COURT OF APPEALS.

Q. AND SINCE WHEN HAVE YOU BEEN AN ATTORNEY?

A. SINCE 1957, SIR.

Q. COULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND?

A. I GRADUATED FROM A SMALL COLLEGE IN NEW YORK CALLED CATHEDRAL COLLEGE. WENT FROM THERE FOR 3 YEARS POSTGRADUATE

THEOLOGICAL STUDIES.

AFTER 2 YEARS IN THE ARMY, I DID SOME POSTGRADUATE PHILOSOPHICAL STUDIES AT FORDHAM UNIVERSITY, ULTIMATELY GRADUATED FROM ST. JOHNS LAW SCHOOL IN 1957.

Q. AFTER YOU GRADUATED COULD YOU JUST BRIEFLY SUMMARIZE YOUR PROFESSIONAL EXPERIENCE SINCE THEN?

A. I SPENT MORE THAN A DECADE AS A SURETY SPECIALIST FOR SEVERAL LARGE SURETY COMPANIES IN NEW YORK CITY, PRACTICED PRIVATE LAW IN THE SAME FIELD FOR 3 YEARS, THEN CAME DOWN TO WASHINGTON AS THE GENERAL COUNSEL OF THE HERITAGE FOUNDATION, A KIND OF THINK TANK. AND, THEREAFTER, I WORKED FOR A WHILE AS A RESEARCHER ON THE SENATE CONFERENCE COMMITTEE, AND ACCEPTED MR. HANSEN'S OFFER OF EMPLOYMENT IN DECEMBER OF 1978.

Q. AND WAS THERE EVER A TIME YOU WERE INVOLVED IN A PUBLIC INTEREST LAW FIRM?

A. I AM SORRY. FOR TWO YEARS, I OPERATED A PUBLIC INTEREST LAW FIRM CALLED, WITH OTHER PEOPLE, CALLED THE FOUNDATION OF LAW SOCIETY.

Q. HERE IN WASHINGTON?

A. YES, SIR.

Q. AND THEN YOU SAY YOU BEGAN WORKING FOR CONGRESSMAN HANSEN?

A. IN DECEMBER OF 1978, YES, SIR.

Q. YOUR TITLE IS LEGISLATIVE ASSISTANT?

A. MY TITLE IS LEGISLATIVE ASSISTANT BUT ON OCCASION I AM

CALLED STAFF COUNSEL.

Q. I'LL ASK YOU, MR. MCKENNA, WHETHER DURING YOUR SERVICE FOR CONGRESSMAN HANSEN YOU HAVE SERVED AS A LEGAL ADVISOR AND COUNSELOR TO HIM ON LEGAL MATTERS?

A. YES, VERY OFTEN.

Q. AND DOES HE CONSULT YOU ON LEGAL MATTERS PERTAINING TO HIS PERSONAL CONCERNS AS WELL AS CONGRESSIONAL BUSINESS?

A. ON OCCASION.

Q. AND HAVE YOU GIVEN HIM LEGAL ADVICE WITH REGARD TO PERSONAL MATTERS AS WELL AS CONGRESSIONAL BUSINESS?

A. YES, SIR.

Q. DID YOU IN THE COURSE OF THE PERIODS OF TIME THAT YOU WERE WORKING FOR MR. HANSEN COME TO KNOW A GENTLEMAN BY THE NAME OF JOHN RUNFT?

A. MR. RUNFT IS MR. HANSEN'S PERSONAL ATTORNEY. HIS OFFICES ARE IN BOISE, IDAHO. YES, SIR, I KNOW HIM VERY WELL FOR 10 YEARS, NINE YEARS.

Q. AND DURING THAT PERIOD OF TIME HAVE YOU ALSO COME TO KNOW MRS. CONNIE HANSEN?

A. MRS. HANSEN IS THE ADMINISTRATIVE ASSISTANT IN THE OFFICE. SHE IS CHIEF ADMINISTRATIVE EMPLOYEE AND I WORK IN THAT OFFICE AND WE KNOW EACH OTHER ON A DAILY BASIS.

Q. AND SO FAR AS MR. RUNFT IS CONCERNED HAVE YOU MET WITH HIM IN PERSON AT TIMES?

A. MR. RUNFT VISITS THE OFFICE QUITE REGULARLY WHEN HE

COMES TO WASHINGTON, AND RARELY FEWER THAN SIX TIMES A YEAR, FIVE TIMES A YEAR, AND WE REGULARLY MEET TO GO OVER VARIOUS MATTERS OF LEGISLATIVE, POLITICAL, PERSONAL NATURE.

Q. AND HAVE YOU TALKED WITH MR. RUNFT ON THE TELEPHONE TO IDAHO?

A. REGULARLY, YES, SIR, WE TALK QUITE REGULARLY ON ANY NUMBER OF SUBJECTS.

Q. WHEN IS THE LAST TIME YOU WERE IN IDAHO MR. MCKENNA?

A. I HAVEN'T BEEN IN IDAHO IN 10 YEARS. EXCUSE ME. LET ME CORRECT THAT. LAST YEAR, I HAD OCCASION TO PASS THROUGH IDAHO WITH THE CONGRESSMAN AND WE STOPPED WITHIN A CITY IN IDAHO. SO, OTHER THAN THAT, 10 YEARS.

Q ALL RIGHT. LET ME DIRECT YOUR ATTENTION BACK TO THE MIDDLE OF 1978, SPECIFICALLY, MAY OF 1978. YOU SAY YOU CAME WITH THE CONGRESSMAN IN SEPTEMBER OF' 78?

A. YES, SIR.

Q. WERE YOU PROVIDING ASSISTANCE AND ADVICE TO THE CONGRESSMAN PRIOR TO THE TIME YOU CAME AND JOINED HIS STAFF?

A. YES, SIR, OCCASIONALLY. BECAUSE I HAD KNOWN HIM FOR A NUMBER OF YEARS, I OCCASIONALLY WAS ASKED FOR ADVICE ON PARTICULAR PROBLEMS AND DID PARTICIPATE IN SUCH MATTERS.

Q. AND IN MAY OF 1978, WERE YOU WITH THIS PUBLIC INTEREST FIRM THAT YOU DESCRIBE?

A. YES, SIR.

Q. DIRECTING YOUR ATTENTION SPECIFICALLY TO THE MONTH OF

MAY OF 1978. DID YOU THEN HAVE OCCASION IN THAT PERIOD OF TIME TO DISCUSS WITH THE CONGRESSMAN AND WITH MR. RUNFT ANYTHING HAVING TO DO WITH A PROPERTY SEPARATION AGREEMENT?

A. YES, SIR, I DID. MR. RUNFT WAS RESPONDING TO THE CONGRESSMAN'S REQUEST AND MRS. HANSEN'S REQUEST TO SOLVE A PROBLEM CONNECTED WITH DISPOSING OF OBLIGATIONS AND HE WAS IN THE PROCESS OF RESEARCHING -- NOT -- WELL, IN 1978, HE HAD ALREADY DONE IT.

THE COURT: EXCUSE ME. MAY I HAVE COUNSEL TO THE BENCH? WOULD YOU MIND, MR. MCKENNA, STEPPING DOWN FOR ONE MINUTE?

AT THE BENCH:

THE COURT: I TRUST MR. MCKENNA KNOWS HE IS NOT TO SPEAK ABOUT ANYTHING CONCERNING MR. HANSEN'S FORMER CONVICTION, OR EXPENSES PERTAINING THERETO. THE MOMENT HE STARTED TALKING ABOUT OBLIGATIONS, I GOT THE FEELING WE WOULD GO INTO THAT SITUATION. IF I KNOW THAT THE WITNESSES HAVE BEEN SO APPRISED, I'LL BE MORE COMFORTABLE.

MR. LEWIN. YES, YOUR HONOR.

IN OPEN COURT:

THE COURT: ALL RIGHT. MR. MCKENNA, YOU MAY TAKE THE STAND, PLEASE.

BY MR. LEWIN:.

Q. DO YOU KNOW ANYTHING, MR. MCKENNA, REGARDING A SEPARATION OF PROPERTY AGREEMENT CONCERNING MR. AND MRS. HANSEN?

A. YES, SIR, I KNOW OF ITS EXISTENCE.

Q. AND TO THE BEST OF YOUR RECOLLECTION, ABOUT WHEN DID YOU FIRST LEARN ABOUT THAT ARRANGEMENT?

A. PROBABLY TO THE BEST OF MY RECOLLECTION SOMETIME IN 1977. IT HAS TO BE SOMETIME AFTER IT WAS EXECUTED, SOMETIME IN 1977.

A. LET ME PLACE BEFORE YOU WHAT IS IN EVIDENCE AS DEFENDANT'S EXHIBIT 73. THAT IS A DOCUMENT WHICH MR. RUNFT IDENTIFIED AS HIS STATEMENT OF SERVICES FOR CONGRESSMAN HANSEN, AND SPECIFICALLY ON MAY 8 OF 1978, THAT DOCUMENT STATES, "TELEPHONE CONFERENCE WITH GEORGE AND JIM MCKENNA RE: COMPLAINT ABOUT NO REPORT OF CONNIE DEBT AND REPORT BY CONGRESSMAN TO ETHICS COMMITTEE. "

IS THE JIM MCKENNA REFERRED TO THERE, YOU?

A. IT IS, INDEED.

Q. CAN YOU TELL US ABOUT WHAT YOU RECALL YOU WERE DOING ON MAY 8, 1978, THAT THAT WOULD BE REFERRING TO?

A. PUBLIC REPORTS HAD BEEN PUBLISHED DRAWING INVIDIOUS CONCLUSIONS FROM THE FAILURE OF CERTAIN OF MRS. HANSEN'S ASSETS, LIABILITIES, TO APPEAR ON THE ETHICS REPORT FOR THAT YEAR.

Q. NOW, THIS IS AN ETHICS REPORT THAT WAS REQUIRED BY WHOM?

A. WELL, THIS IS AN ETHICS REPORT REQUIRED BY THE INTERNAL RULES OF THE HOUSE OF THE REPRESENTATIVES AT THAT TIME.

Q. THIS IS PRIOR TO THE ENACTMENT OF THE ETHICS IN

GOVERNMENT ACT?

A. PRIOR, TO ITS COMING INTO FORCE. I AM NOT CERTAIN OF THAT, MR. LEWIN.

Q. ALL RIGHT.

A. THE INVIDIOUS COMMENTS, THE NEWSPAPER REPORT QUOTED A SOURCE WITHIN THE SENATE ETHICS COMMITTEE, AND THE CONGRESSMAN AND MR. RUNFT WERE QUITE CONCERNED ABOUT THAT. AND GENERALLY UNDER HIS DIRECTION, MR. RUNFT'S, I ACCOMPANIED THE CONGRESSMAN TO REMONSTRATE WITH THE PERSON INVOLVED, AND PUT FORWARD OUR POSITION WITH REFERENCE TO THE EFFECTIVENESS OF THE SEPARATION AGREEMENT AS AUTHORIZING THE FILING IN THE FORM IN WHICH IT WAS FILED.

Q. LET'S JUST GO BACK OVER THAT FOR A MOMENT. THERE WAS AN ETHICS COMMITTEE REPORT THAT WAS REQUIRED TO BE FILED?

A. YES, SIR.

Q. AND TO YOUR KNOWLEDGE DID THAT REPORT CONTAIN OR NOT CONTAIN REPORTS OF MRS. HANSEN'S ASSETS AND LIABILITIES?

A. IT DID NOT CONTAIN THAT REPORT.

Q. AND THIS WAS A DISCUSSION REGARDING COMPLAINTS THAT HAD BEEN FILED BECAUSE OF THE ABSENCE OF THOSE ITEMS FROM THAT REPORT?

A. MY RECOLLECTION IS THAT IT WASN'T A CASE OF FORMAL COMPLAINTS BEING FILED. IT WAS PUBLIC, BASED ON PUBLIC STATEMENTS BY A MEMBER OF THE COMMITTEE STAFF.

Q. AND YOU WERE CONSULTED BY THE CONGRESSMAN TO ADVISE

WITH REGARD TO THAT MATTER?

A. YES, SIR.

Q. HAD YOU PRIOR TO THAT TIME CONSIDERED AND EXAMINED THE RULES OF THE HOUSE UNDER WHICH THESE REPORTS WERE TO BE FILED?

A. YES, SIR.

Q. AND HAD YOU DISCUSSED WITH MR. RUNFT THIS SEPARATION OF PROPERTY AGREEMENT?

A. YES, SIR.

Q. AND HAD YOU COME TO ANY CONCLUSION AT THAT TIME REGARDING WHETHER OR NOT MRS. HANSEN'S ASSETS AND LIABILITIES HAD TO BE REPORTED ON THAT REPORT TO BE SUBMITTED TO THE HOUSE COMMITTEE?

A. YES, SIR IT WAS MY OPINION BASED PARTIALLY ON MR. RUNFT'S RESEARCH OF THE IDAHO COMMUNITY PROPERTY LAW AND THE MANNER IN WHICH THE SEPARATION AGREEMENT WAS TO BE EFFECTED IN THAT STATE-- BUT, PRINCIPALLY AND SOMEWHAT INDEPENDENTLY OF THAT, ON A REVIEW OF CORRESPONDENCE THAT HAD OCCURRED BETWEEN THE COMMITTEE AND THE HANSENS WITH REFERENCE TO THE MATTER IN WHICH THESE FILINGS WERE TO OCCUR -- AND I SATISFIED MYSELF ON THOSE TWO BASES THAT THE WIFE'S ASSETS AND LIABILITIES WERE NOT SUBJECT TO REPORT.

Q. AND WAS THAT THE CONCLUSION THAT MR. RUNFT HAD COME TO AS WELL?

A. HE HAD COME TO IT EARLIER THAN I. I WAS BROUGHT IN TO MEET A PARTICULAR PROBLEM, BUT HE HAD ALREADY RESEARCHED AND

COME TO THAT CONCLUSION. AT LEAST, THAT IS MY RECOLLECTION OF THAT CONVERSATION.

Q. AND DID YOU COMMUNICATE ON OR ABOUT MAY OF 1978 TO CONGRESSMAN HANSEN OR PRIOR THERETO?

A. WELL, HE WAS INTIMATELY INVOLVED IN THESE CONVERSATIONS, OFTEN BEING ON THE PHONE WITH US. THERE ARE 2 OR 3 EXTENSIONS IN THE SAME ROOM.

Q. SO THE CONVERSATIONS WERE GENERALLY, MR. RUNFT, YOURSELF AND THE CONGRESSMAN DISCUSSING THIS ISSUE?

A. THAT IS RIGHT.

Q. NOW, DID YOU AT THE TIME THAT YOU JOINED CONGRESSMAN HANSEN'S STAFF REVIEW ANY DOCUMENTS RELATING TO THIS QUESTION OF THE SEPARATE PROPERTY AGREEMENT AND ITS EFFECT ON FINANCIAL DISCLOSURE REQUIREMENTS?

A. NOT THE DOCUMENT ITSELF, NOT THE SEPARATION AGREEMENT, BUT THE ENTIRE FILE OF MR. HANSEN'S FILE OF CORRESPONDENCE WITH THE THEN ETHICS COMMITTEE, YES, SIR. IT SEEMED APPROPRIATE UNDER THE CIRCUMSTANCES TO REVIEW IT, AND I DID AT THAT TIME AGAIN REVIEW IT.

Q. AND INCLUDED IN THAT FILE WERE WHAT KINDS OF CORRESPONDENCE, WHAT KINDS OF LETTERS.

A. WELL, THEY WERE LETTERS FROM MR. HANSEN, LETTERS FROM MRS. HANSEN, AND MY RECOLLECTION IS THAT THERE WAS VERY LITTLE BACK, BUT THERE WAS AT LEAST ONE PIECE OF CORRESPONDENCE BACK FROM THE COMMITTEE.

Q. AND THOSE WERE LETTERS WRITTEN IN 1977 RELATING TO THE INTENTION OF MRS. HANSEN TO ENGAGE IN A SOLICITATION FOR CONTRIBUTIONS TO COVER PERSONAL EXPENSES?

A. YES. THE PROBLEM AT THAT TIME HAD BEEN THAT THE COMMITTEE HAD RULED THAT MRS. HANSEN COULD NOT ACT AS AN AGENT FOR MR. HANSEN IN THE SOLICITATION OF FUNDS TO RETIRE AN EXISTING DEBT.

THE RESULT OF THAT RULING WAS A LEGAL OPERATION WHICH ESSENTIALLY RESULTED IN A SEPARATION OF ASSETS AND LIABILITIES AND IT WAS IN RESPONSE TO THE REQUEST FOR AUTHORITY TO SOLICIT FUNDS FIRST BY MR. HANSEN, HIMSELF -- AND I THINK ONLY BY MR. HANSEN. I THINK THE COMMITTEE GRATUITOUSLY ADDED MRS. HANSEN AND ANY OTHER AGENT, COMMITTEE, OR SOMETHING LIKE THAT, AS BEING DEBARRED FROM SOLICITING FUNDS TO RETIRE MR. HANSEN'S DEBT.

Q. YOU ARE SAYING IT WAS AS A RESULT OF THAT, THAT THE PROPERTY SETTLEMENT AGREEMENT HAD BEEN WORKED OUT?

A. YES, SIR. THAT IS MY UNDERSTANDING.

Q. COULD YOU JUST DESCRIBE BRIEFLY IF YOU CAN WHAT YOUR UNDERSTANDING WAS REGARDING THE LEGAL EFFECT OF THAT PROPERTY SETTLEMENT AGREEMENT?

A. WELL, THE STATE OF IDAHO IS A COMMUNITY PROPERTY STATE. THE BASIC REALITY OF A SEPARATION AGREEMENT IN THIS NATURE WAS TO TERMINATE THE RIGHTS OF BOTH PARTIES, OBVIOUSLY, TO CERTAIN LEGAL REMEDIES WHICH WOULD ENABLE THEM TO MAKE A CLAIM OF RIGHT

AGAINST THE ASSETS OF THE OTHER PARTY.

IN GENERAL -- AND I DON'T CLAIM TO BE AN EXPERT -- BUT, IN GENERAL, COMMUNITY PROPERTY STATES, ARRANGE THAT ANYTHING SUBSEQUENT TO THE MARRIAGE ACQUIRED BY EITHER PARTY IS THE JOINT PROPERTY OF BOTH PARTIES, AND THAT EITHER PARTY CAN MAKE A LEGAL CLAIM TO IT.

THE SEPARATION AGREEMENT EFFECTIVELY NULLIFIED, TERMINATED THE RIGHTS THAT ARE ACQUIRED IN SUCH A STATE BY EITHER PARTY AGAINST THE OTHER PARTY.

THE NATURE OF THE AGREEMENT ITSELF WAS A PARTITION OF THE EXISTING RIGHTS AND LIABILITIES AND A PROSPECTIVE TERMINATION OF SEVERAL SERIOUS RIGHTS.

MR. RUNFT, HIMSELF, WAS SERIOUSLY CONCERNED ABOUT THE TERMINATION OR SOLUTION OF ONE PROBLEM CREATING A SERIOUS DISABILITY IN BOTH OF THE PARTIES LATER ON.

HE EXPRESSED THAT CONCERN TO ME LATER, AND THE EFFECTS WERE WHAT HE FEARED. THAT IS, THAT ABSENT VERY CAREFUL DRAFTING OF WILLS, THERE COULD BE A PROBLEM WITH REGARD TO SUBSEQUENT RIGHTS, IN EITHER PARTY, THE SURVIVOR OF THE TWO. AND IT COULD LATER ON CREATE PROBLEMS WITH REGARD TO THE INVESTING AND DIVESTITURE OF REAL PROPERTY, AND SEVERAL OTHER AREAS.

Q. WOULD THERE BE PROBLEMS IF FOR ONE REASON OR ANOTHER, THE COUPLE DECIDED TO SEPARATE OR DIVORCE?

A. WELL, THE DOCUMENT WOULD HAVE LEGAL EFFECT, AND NEITHER PARTY COULD CLAIM THE RIGHTS AVAILABLE TO HIM OR HER, UNDER THE EXISTING COMMUNITY PROPERTY STATUTES OF IDAHO. IT WAS ESSENTIALLY A PRIVATE ACT NULLIFYING THE RIGHTS OF THE PARTIES UNDER THAT COMMUNITY PROPERTY, UNDER THAT SERIES OF COMMUNITY PROPERTY STATUTES THAT CONSTITUTES THE STATE AS A COMMUNITY PROPERTY STATE.

SO THAT, IN THE EVENT OF A TERMINATION OF THE MARRIAGE, EITHER PARTY OR BOTH PARTIES COULD RELY ON THAT DOCUMENT, WITH REGARD TO THEIR RIGHTS TO PROPERTY, MONEY, REAL ESTATE, IN SUCH AN EVENT.

Q. TO YOUR UNDERSTANDING, DID THE PROPERTY SEPARATION AGREEMENT FORCE THE PARTIES TO KEEP THEIR PROPERTIES SEPARATE EVEN IF THEY WISHED NOT TO DO SO? IN OTHER WORDS WERE THEY --?

A. NOT REALLY. THE EFFECT OF THE DOCUMENT WENT TO RIGHTS AND NOT TO PRIVILEGES. IN OTHER WORDS, THE DOCUMENT ESTABLISHED THE RIGHTS OF THE PARTIES. IT DID NOT PRECLUDE THEM EXERCISING WHATEVER RIGHTS THEY HAD IN ANY MANNER THEY CHOSE. IT WAS NOT A PROHIBITORY DOCUMENT IN THAT SENSE. IF THE PARTIES WANTED TO COMINGLE, THEY COULD COMINGLE. IF THEY WANTED TO PURCHASE REAL PROPERTY, THEY PROBABLY, AT LEAST, IN IDAHO COULD NOT, PROBABLY, BUY IT IN A TENANCY BY THE ENTIRETIES AS MARRIED COUPLES DO. THEY WOULD PROBABLY HAVE TO BUY IT IS A TENANT IN COMMON, SHARES.

BUT, EFFECTIVELY, THE DOCUMENT DEALT WITH RIGHTS. NOT WITH WHETHER OR NOT THE PARTY HAD A RIGHT TO EXERCISE, OR COULD EXERCISE THOSE RIGHTS IN ANY WAY THEY CHOSE.

Q. DID IT PREVENT THEM FROM HOLDING IF THEY WISHED EITHER REAL PROPERTY OR PERSONAL PROPERTY JOINTLY?

Q NO, IN FACT, THEY DID THAT. THEY CONSISTENTLY SUBSEQUENT TO THAT TIME.

Q. AND TO YOUR UNDERSTANDING THAT WAS PERFECTLY CONSISTENT WITH THE SEPARATION OF PROPERTY AGREEMENT?

A. YES, SIR, THERE WAS NOTHING IN THE PROPERTY AGREEMENT THAT PRECLUDED THESE PEOPLE FROM CONTINUING THEIR LIVES AS MARRIED PEOPLE.

Q. AND FROM USING EACH OTHERS' PROPERTY WITH PERMISSION?

A. THAT IS STRICTLY A CONSENTUAL MATTER, THAT IS WHAT THE PARTIES WERE WILLING TO DO WITH EACH OTHER.

Q. FROM THE TIME THAT -- STRIKE THAT. YOU SAY YOU REVIEWED THE FILE WITH REGARD TO THIS MATTER IN CONGRESSMAN HANSEN'S OFFICE. DID IT APPEAR TO YOU FROM THE FILE THAT THE HOUSE ETHICS COMMITTEE HAD BEEN NOTIFIED OF THE EXISTENCE OF SUCH AN AGREEMENT?

A. OH, YES, UNQUESTIONABLY.

Q. AND FROM AND AFTER THE TIME THAT YOU JOINED CONGRESSMAN HANSEN'S STAFF, WAS THE HOUSE ETHICS COMMITTEE OR THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT CONTINUALLY NOTIFIED OF THE FACT THAT SUCH AN ARRANGEMENT HAD BEEN ENTERED INTO AND WAS IN EFFECT?

A. YES, SIR.

Q. BY WHOM?

A. I, PERSONALLY, HAVE HAD CONVERSATIONS WITH . .MBERS OF THAT STAFF, SPECIFICALLY INVOLVING THE EXISTENCE AND EFFECT THAT DOCUMENT.

Q. AND DURING WHAT PERIOD OF TIME HAVE YOU HAD SUCH CONVERSATIONS?

A. IT BEGAN?

Q. I AM NOT ASKING FOR SPECIFIC DATES. GIVE ME A BEGINNING AND ENDING TIME.

A. PROBABLY NO LATER THAN EARLY 1980, AND AT LEAST FOUR OR FIVE TIMES SINCE THAT TIME.

Q. AND IN THESE DISCUSSIONS YOU HAVE ADVISED THEM THAT THIS SEPARATION OF PROPERTY AGREEMENT CONTINUES TO BE IN EFFECT?

A. IN TRUTH, I DID NOT HAVE TO ADVISE THEM. THEY WERE AWARE OF IT BEFORE I GOT THERE, BY WHAT MEANS I DON'T KNOW.

Q. YOU SAW THE CORRESPONDENCE?

A. I AM SORRY. OF COURSE, BY WHAT MEANS I CANNOT TESTIFY OTHER THAN WHAT THE DOCUMENTS INDICATE, THEY WERE ADVISED. BUT I KNOW I PERSONALLY DID THIS. THESE PEOPLE WERE AWARE OF IT BECAUSE THEY DISCUSSED IT WITH ME.

Q. WAS THERE A TIME FROM AND AFTER THE PERIOD WHEN YOU BEGAN WORKING FOR CONGRESSMAN HANSEN IN DECEMBER OF 1978 THAT YOU DISCUSSED WITH CONGRESSMAN HANSEN THE EFFECT OF THE ETHICS IN GOVERNMENT ACT ON HIS OBLIGATION TO REPORT VARIOUS FINANCIAL TRANSACTIONS?

A. YES, SIR. IT WAS A SUBJECT OF DISCUSSION ONCE THE

ETHICS IN GOVERNMENT ACT WAS PASSED. ALTHOUGH THE NATURE OF THE REPORTING PROCEDURE CHANGED, AS THE NATURE OF THE MECHANICS WENT FROM RULE TO STATUTE.

OUT OF AN EXCESS OF CAUTION, MR. RUNFT EXAMINED THE STATUTE IN GREAT DETAIL. I EXAMINED THE STATUTE AND WE DISCUSSED THE EFFECT OF THE STATUTE WITH THE CONGRESSMAN, THE AFFECTED PARTY.

Q. DID YOU DISCUSS WITH THE CONGRESSMAN THE EFFECT OF THE STATUTE ON HIS OBLIGATION TO REPORT THE ASSETS AND LIABILITIES OF MRS. HANSEN?

A. YES, SIR.

Q. DID THAT HAPPEN ON ONE OCCASION OR ON SEVERAL OCCASIONS?

A. IT HAPPENED ON MORE THAN ONE OCCASION.

Q. AND DID YOU IN THOSE CONVERSATIONS WITH THE CONGRESSMAN EXPRESS YOUR OPINION AS TO WHETHER OR NOT HE HAD AN OBLIGATION UNDER THE ETHICS IN GOVERNMENT ACT TO REPORT ASSETS AND LIABILITIES OF MRS. HANSEN ON THE ETHICS IN GOVERNMENT ACT FORM?

A. YES, I DID.

Q. AND WHAT WAS THAT OPINION?

A. IT WAS MY OPINION THAT GIVEN THE LEGAL STATUS OF THEIR RELATIONSHIP, THAT THEY WERE IN FACT SEPARATE INDIVIDUALS, MY CONCERN WENT FURTHER AS TO WHETHER OR NOT THE CONGRESSMAN EVEN HAD AN OPTION UNDER THE PRIVACY STATUTES IN ORDER TO REVEAL

THIS WAS HE NOT PERHAPS GOING BEYOND THE RIGHTS THAT MRS. HANSEN HAD FOR HER PRIVACY. AT THE TIME, MY CONCERN WAS LESS WITH THE REPORTING OR THE OPTION OF THE REPORTING THAN A VOLUNTARY REPORT MIGHT IN FACT HAVE VIOLATED MRS. HANSEN'S RIGHTS.

WE WERE BOTH STRONGLY OF THE OPINION THAT THE ETHICS IN GOVERNMENT ACT DID NOT CONTEMPLATE THE SITUATION THAT MR. AND MRS. HANSEN FOUND THEMSELVES IN BY REASON OF THE SEPARATION AGREEMENT.

Q. AND COULD YOU PLEASE EXPLAIN FOR THE COURT AND JURY WHAT WERE THE GROUNDS FOR YOUR CONCLUSION IN THAT REGARD? WHAT DID YOU BASE THAT CONCLUSION ON?

A. WELL, I BASED THE CONCLUSION ON THE FACT THAT, ONE, THIS SOLUTION HAD IN ESSENCE ALREADY BEEN IN SUBSTANTIAL WAYS WORKED OUT WITH THE DOMINANT COMMITTEE, WHICH REMAINED THE DOMINANT COMMITTEE, THE SUPERVISORY COMMITTEE BOTH UNDER THE RULE AND UNDER THE STATUTE, THAT THE SEPARATION AGREEMENT HAD IN FACT, THEY HAD BEEN APPRISED OF IT; THEY HAD AT LEAST ACQUIESCED IN IT, AND THAT THE STATUTE CONTEMPLATED AN ECONOMIC SPOUSAL RELATIONSHIP THAT WE FELT WAS NO LONGER IN EXISTENCE; THAT THE PARTIES WERE AS TO THEIR ECONOMIC REALITIES WHICH WERE REQUIRED TO BE REPORTED ON THE FORM, ACTUALLY, FROM THAT POINT OF VIEW NO LONGER JOINT AS HUSBAND AND WIFE.

Q. IS IT FAIR TO SAY THEN THAT THERE WERE TWO BASES FOR YOUR DECISION, ONE WAS THE PRACTICE AND THE UNDERSTANDING WITH

THE COMMITTEE, AND THE OTHER WAS THE STATUTE AND THE PURPOSE OF THE STATUTE?

A. YES, SIR, THAT IS A FAIR STATEMENT.

Q. LET ME ASK YOU, MR. MCKENNA, YOU ARE IN THAT OFFICE EVERY DAY, THAT IS RIGHT, YOU COME TO WORK THERE EVERY DAY?

A. YES, SIR.

Q. WHEN ARE THESE ETHICS IN GOVERNMENT ACT FORMS FILED, WHAT MONTH?

A. THEY ARE REQUIRED TO BE FILED BY THE END OF BUSINESS ON MAY 15 OF EACH YEAR OR THE NEXT BUSINESS DAY THEREAFTER.

Q. WELL, COULD YOU DESCRIBE FOR US AT WHAT TIMES, AND UNDER WHAT OCCASIONS, YOU WOULD MOST FREQUENTLY BE ASKED BY THE CONGRESSMAN YOUR OPINIONS REGARDING THE OBLIGATIONS UNDER THE ETHICS IN GOVERNMENT ACT?

A. ACTUALLY, THE CONGRESSMAN HAS SOLICITED MY ADVICE ON ONLY TWO OR 3 OCCASIONS. THE REPORTS ARE ONLY FIVE YEARS OLD. HE SOLICITED MY OPINION WITH REGARD TO A REAL ESTATE TRANSACTION IN WHICH HE WAS INVOLVED, AND THE QUESTION WAS WHETHER OR NOT THE SPECIFIC REAL ESTATE WAS REQUIRED TO BE REPORTED UNDER THE RULE OF THE ETHICS IN GOVERNMENT ACT.

Q. LET ME INTERRUPT YOU. NOW, YOU ARE TALKING ABOUT OCCASIONS OTHER THAN THE SPOUSAL QUESTION?

A. YES.

Q. SO, THERE WERE OCCASIONS WHEN YOU DISCUSSED SPECIFICALLY THE MATTER OF MRS. HANSEN'S ASSETS AND LIABILITIES?

A. YES, WE WERE DISCUSSING THAT ON A FAIRLY REGULAR BASIS, BECAUSE SOME OF THE CONGRESSMAN'S ACTIVITIES ARE PREDICATED ON THE EFFECT OF THAT DOCUMENT, AND HE WOULD CALL MR. RUNFT, AND ASK ME ABOUT THESE SECTIONS.

Q. WHAT YOU ARE ACTUALLY TELLING US ABOUT WERE OCCASIONS OTHER THAN THOSE?

A. I AM SORRY, YES.

Q. YOU BEGAN ACTUALLY TELLING US ABOUT THE OCCASIONS OTHER THAN THOSE.

A. ONE OF THE YEARS, 1981, I THINK THE QUESTION WAS: HE WAS IN FACT IN POSSESSION OF TWO HOMES IN WASHINGTON, ON DECEMBER 31 OF THE PRECEDING YEAR, AND THE STATUTE EXEMPTS ONLY ONE HOME, PRESUMPTIVELY TO PREVENT SPECULATION IN REAL ESTATE BY THE APPEARANCE OF OWNING A HOME. THE REASON HE HELD THE SECOND HOME WAS THAT IN THE TRANSFER OF RESIDENCE FROM ONE HOME TO THE OTHER, THE REAL ESTATE MARKET CREATED A PROBLEM, AND HE WAS STUCK WITH THE HOUSE FOR A PERIOD OF MONTHS.

I ADVISED HIM THAT I THOUGHT THE PURPOSE OF THE STATUTE WAS OTHER THAN A BRIDGE-TYPE SITUATION, THAT I DIDN'T THINK THAT IT WAS RESPONSIVE TO THE REQUEST OF THE FORM OF THE COMMITTEE.

Q. SO, THEREFORE, THE ITEM SHOULD NOT BE LISTED ON THE FORM?

A. YES, SIR,. ONE OF THE HOUSES WAS EXCLUDED, THE ONE IN WHICH HE DID NOT RESIDE AT THE TIME. AND THE OTHER, OF COURSE, WAS NOT REPORTED WAS BECAUSE THAT WAS HIS RESIDENCE, AND HE DISPOSED OF IT IN A MATTER OF A COUPLE OF MONTHS AT SOME MARGINAL LOSS.

Q. AND THERE WAS ANOTHER OCCASION, BEYOND THAT?

A. THERE WAS AN OCCASION I BELIEVE IT WAS EARLIER, I BELIEVE IT WAS FOR THE 1980 YEAR, IN WHICH THERE WAS A QUESTION OF THE NATURE OF AN ESCROW AGREEMENT FOR THE TRANSFER OF CERTAIN BUSINESS PROPERTY AND THE DISCUSSION WAS WHETHER OR NOT AN ESCROW AGREEMENT WHICH WAS ESSENTIALLY AN ACCUMULATION OF PURCHASE MONEY WAS COVERED UNDER THE STATUTE, AND I AM EMBARRASSED TO ADMIT, I DON'T REMEMBER WHICH WAY I ADVISED HIM AT THE TIME.

Q. NOW, ABOUT WHAT TIME OF THE YEAR WOULD THIS ADVICE GENERALLY BE SOUGHT, AND WOULD YOU PROVIDE IT?

A. WITHIN A WEEK OR TWO OF THE REQUIREMENT THAT THE FORM BE FILED. IT WOULD USUALLY BE IN THE EARLY PART OF MAY. ON ONE OCCASION IT WAS ON THE FILING DATE ITSELF.

Q. AND THE DISCUSSIONS WITH THE CONGRESSMAN WERE IN HIS OFFICE HERE?

A. YES, SIR. MY DESK IS A FEW FEET FROM HIS OFFICE.

Q. LET ME LEAVE THAT SUBJECT THEN, MR. MCKENNA, AND GO AND DIRECT YOUR ATTENTION, SPECIFICALLY, TO 1981 AND THE MONTH OF APRIL IN 1981. DO YOU RECALL PARTICIPATING AT THAT TIME IN ANY DISCUSSIONS CONCERNING THE RECEIPT OF WHAT HAS COME TO BE KNOWN AS A BLACKMAIL LETTER?

A. YES, SIR.

Q. COULD YOU DESCRIBE?

A. ON THURSDAY OF THAT WEEK, WHICH I THINK WAS APRIL 2, THE CONGRESSMAN CALLED ME INTO HIS OFFICE AND ADVISED ME THAT HE RECEIVED A TELEPHONE CALL FROM AN ATTORNEY FOR THE PARTY WHO RECEIVED THE BLACKMAIL NOTE ADVISING MR. HANSEN THAT THE TERMS OF THE NOTE IMPLICATED HIM IN AN ALLEGATION OF BRIBERY.

HE SAID THAT HE HAD DEMANDED THAT A COPY OF THE NOTE BE SENT TO HIM, AND EXPRESSED HIS INTENTION OF IMMEDIATELY GOING TO THE ATTORNEY GENERAL AS SOON AS HE GOT A COPY OF THE NOTE TO PRODUCE.

Q. CONGRESSMAN HANSEN SAID THAT TO YOU?

A. YES, SIR. I CONCURRED IN THAT OPINION. I FELT THAT IT WOULD HAVE BEEN IMPROVIDENT TO NOT DELIVER THE THING. IF HE DESCRIBED IT TO ME AS IT REALLY EXISTED IT WOULD CLEARLY HAVE BEEN A FELONY, AT LEAST UNDER THE MAIL STATUTES, AND I FELT THAT HE HAD NO OPTION, HE HAD TO REPORT IT, WHICH IS WHAT HE ALREADY DECIDED TO DO ANYWAY.

THE NEXT DAY THAT ATTORNEY OR ANOTHER ONE APPEARED IN THE OFFICE WITH A COPY OF THE INSTRUMENT AND MY RECOLLECTION IS THAT MR. HANSEN UNABLE TO GET TO THE ATTORNEY GENERAL SETTLED FOR APPOINTMENT WITH ASSOCIATE OR ASSISTANT ATTORNEY GENERAL, A MAN NAMED GIULIANI, FOR THE SUCCEEDING MONDAY AT 11 O'CLOCK.

PURSUANT TO THAT APPOINTMENT, MR. RUNFT, WHO WAS HIS ATTORNEY, WHOSE NAME I HAVE MENTIONED, MR. IRWIN, WHO IS AN

ATTORNEY FOR THE RECIPIENT OF THE BLACKMAIL NOTE --

Q. WHO WAS THE RECIPIENT OF THE BLACKMAIL NOTE?

A. NELSON BUNKER HUNT. -- MR. HANSEN AND MYSELF, WENT TO THE JUSTICE DEPARTMENT. I THINK THE APPOINTMENT WAS 11 O'CLOCK AND IT LASTED ABOUT A HOUR AND 10 MINUTES.

Q. AND AT THAT MEETING AT THE JUSTICE DEPARTMENT, DID CONGRESSMAN HANSEN DESCRIBE THE TRANSACTION THAT WAS THE SUBJECT OF THE BLACKMAIL LETTER?

A. YOU MEAN THE SILVER, THE 87 THOUSAND DOLLARS IN SILVER?

Q. THAT IS RIGHT?

A. YES, SIR, HE EXPLAINED TO MR. GIULIANI AND AN ASSOCIATE NAMED CARUSO THAT MRS. HANSEN HAD TRANSACTED A BUSINESS ARRANGEMENT IN THE COMMODITIES FUTURE MARKET, AND HAD INDEED MADE A PROFIT OF 87 THOUSAND DOLLARS, AND THAT UNDOUBTEDLY WAS THE SOURCE OF THE NUMBER IN THE BLACKMAIL NOTE, AND EXPLAINED THE GENERAL NATURE OF THE TRANSACTION.

Q. DID YOU, IN EITHER OF THE DISCUSSIONS WITH CONGRESSMAN HANSEN PRIOR TO THE MEETING OR IN THE MEETING ITSELF DISCERN ANY RELUCTANCE OR HESITATION ON HIS PART TO DISCLOSE ANY PART OF THAT TRANSACTION?

A. NO, ONE OF THE PRICES WHICH WE HAD DISCUSSED FRIDAY, THE PRECEDING FRIDAY WAS THAT IT WAS INEVITABLE THAT IN ADDITION TO LOOKING FOR THE BLACKMAILER THEY WOULD LOOK FOR HIS JUSTIFICATION, SO THERE WAS SUBSTANTIAL REASON TO BELIEVE MR. HANSEN WOULD BE UNDER INVESTIGATION TO DETERMINE WHETHER OR NOT

HE WAS IN FACT THE RECIPIENT OF A BRIBE OR A BRIBE ATTEMPT FROM THIS MR. HUNT.

HE EXPRESSED THAT TO THE ASSISTANT ATTORNEY GENERAL, MR. GIULIANI ON THE OCCASION OF THAT MEETING, THAT HE KNEW HE WAS GOING TO BE SUBJECT TO INVESTIGATION.

Q. AND WHAT WAS MR. HANSEN'S REACTION TO THAT? WAS HE READY TO UNDERGO ANY INVESTIGATION?

A. IT WASN'T A PROBLEM. OUT OF CAUTION I EXPLAINED TO HIM WHAT THE CONSEQUENCES OF REVEALING SUCH A DOCUMENT WERE, AND HE SAID WELL THAT IS THE WAY IT IS.

Q. ALL RIGHT. AFTER YOU RETURNED FROM THE DEPARTMENT OF JUSTICE, DO YOU RECALL WHAT HAPPENED THAT AFTERNOON?

A. I RECALL SITTING AROUND WAITING FOR A PROMISED INVESTIGATOR OR INVESTIGATING TEAM TO SHOW UP IN THE OFFICE.

THERE WAS A TELEPHONE CALL FOR I THINK IT WAS MR. IRWIN, THE ATTORNEY FROM DALLAS, WHICH GOT HIM ANNOYED BECAUSE THE CALLER ALLEGED HIMSELF TO BE FROM THE JUSTICE DEPARTMENT AND WANTED A TELEPHONIC COMMUNICATION, AND MR. IRWIN THOUGHT THAT WAS INAPPROPRIATE. MR. HANSEN FELT THAT THAT WAS NOT THE WAY HE HAD BEEN PROMISED THEY WOULD START ON THE MATTER, AND HE CALLED THE DEPARTMENT OF JUSTICE, AND SOMETIME SUBSEQUENT TO THAT, I REMEMBER THAT IT WAS IN THE EARLY EVENING, TWO F B I MEN SHOWED UP, MR. TRAILER AND MR. HOY.

Q. IS IT FAIR TO SAY THAT CONGRESSMAN HANSEN WAS INSISTING ON A PROFESSIONAL INVESTIGATION OF THAT MATTER?

A. THAT IS WHAT HE WENT TO THE JUSTICE DEPARTMENT TO GET, AND THAT IS WHAT HE ASKED FOR WHEN MR. IRWIN SUGGESTED THAT THEY WERE NOT PREPARED TO PROCEED EXPEDITIOUSLY.

Q. AND THAT IS WHAT HE ASKED FOR ON THE TELEPHONE IN THE CONVERSATION WITH THE JUSTICE DEPARTMENT?

A. HE WAS QUITE ANNOYED THAT THEY WERE NOT DOING WHAT THEY PROMISED TO DO WHICH WAS TO GET ON IT QUITE PROMPTLY.

Q. LET ME TAKE YOU BACK FROM APRIL OF 1981, MR. MCKENNA, TO THE MIDDLE OF 1980, AND, SPECIFICALLY, LET ME PUT BEFORE YOU WHAT IS IN EVIDENCE AS DEFENDANT'S EXHIBIT 12. AND ASK YOU WHETHER YOU RECOGNIZE THAT VOLUME?

A. YES, SIR. IT IS A COPY OF A BOOK WRITTEN JOINTLY BY MR. HANSEN AND THE OTHER NAME, THE OTHER PERSON IS LARRY ANDERSON. I HAD SOME SMALL PART IN DRAFTING THE FINAL TWO SECTIONS OF IT.

Q. THE FINAL TWO SECTIONS OF IT?

A. YES, SIR.

Q. COULD YOU TELL US WHAT THE SUBJECT OF THAT BOOK IS?

A. THE SUBJECT OF THE BOOK IS A DISCLOSURE OF VARIOUS CASES INVOLVING A FEDERAL AGENCY'S INAPPROPRIATE ACTIONS AGAINST INDIVIDUALS AND GROUPS IN THE SOCIETY.

Q. YOU SAY A FEDERAL AGENCY, WHICH FEDERAL AGENCY?

A. THE INTERNAL REVENUE SERVICE.

Q. AND WAS THAT A SUBJECT THAT WAS OF INTEREST TO CONGRESSMAN HANSEN, THE ABUSES OF THE INTERNAL REVENUE SERVICE?

A. YES, SIR, HE HAD HAD OCCASION IN 1976 BEFORE MY COMING WITH HIM, TO HAVE HAD TO INTERCEDE.

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

THE COURT: YES.

AT THE BENCH:

MR. WEINGARTEN: I RESPECTFULLY REQUEST A PROFFER. I WAS WONDERING WHAT MR. LEWIN IS ANTICIPATING ELICITING FROM THIS WITNESS TO WHAT EXTENT HOW FAR BACK WE ARE GOING?

MR. LEWIN: NOT FAR. QUITE HONESTLY. I DON'T KNOW WHAT HE IS REFERRING TO. I THINK A GRAND TETON THING IN '76. I WAS NOT EXPECTING HIM TO BE THAT DETAILED ON IT. I JUST WANTED HIM GENERALLY TO GIVE ME A DESCRIPTION OF WHAT THE BOOK IS ABOUT.

THE COURT: IS HE GOING TO RELATE CONCERNING THE EXAMPLES OF ABUSE?

MR. LEWIN: YES. AND I WANTED TO INDICATE THAT IT HAS BEEN PUBLISHED SOMETIME BEFORE 1980 THAT CONGRESSMAN HANSEN HAD BEEN FOLLOWING THE ABUSES OF THE INTERNAL REVENUE.

THE COURT: AND THAT WILL END IT?

MR. LEWIN: THE SUBJECT MATTER BUT THE BOOK AND THE OTHER MATTER CONTINUES IN THE FUTURE. IT IS PART OF THE DEVELOPMENT OF TAXPAYERS.

THE COURT: WE ARE LEADING INTO ITS ASSOCIATION WITH TAXPAYERS?

MR. WEINGARTEN: DO YOU KNOW HOW LONG YOU WILL BE, DO

YOU THINK YOU WILL FINISH?

MR. LEWIN: I AM NOT SURE I AM GOING TO FINISH.

THE COURT: EVEN IF YOU DON'T FINISH, YOU WILL CERTAINLY NOT FINISH.

MR. WEINGARTEN: I THINK I CAN COLLECT MY NOTES BETTER IF IT IS 10 TO 7 IF WE START IN THE MORNING.

THE COURT: SORT OF CLUE ME. YOU CAN GET SOME BACKGROUND IN THERE. WE ARE GOING TO STOP AROUND 7 IN ANY EVENT.

IN OPEN COURT;

THE COURT MR. MCKENNA, PLEASE RESUME THE STAND.

BY MR. LEWIN:

Q. WITHOUT GOING INTO ANY SPECIFIC DETAIL ABOUT PARTICULAR THINGS IN THE PAST, IS IT A FACT THAT CONGRESSMAN HANSEN INTERESTS IN THE ABUSES OF THE INTERNAL REVENUE SERVICE DATED BACK FOR A SUBSTANTIAL PERIOD PRIOR TO 1980?

A. AT LEAST FOUR YEARS.

Q. AND AS A RESULT OF HIS INTERESTS, HE, TOGETHER WITH MR. ANDERSON HAD WRITTEN THIS BOOK, AND YOU SAY YOU ASSISTED SOMEWHAT?

A. IN THE FINAL TWO SECTIONS, YES.

Q WHAT SPECIFICALLY ARE THE FINAL TWO SECTIONS?

A. THE FINAL TWO SECTIONS ARE PROPOSALS FOR REMEDIAL LEGISLATIVE ACTION.

Q. AND IS IT FAIR TO SAY THAT YOU DRAFTED THOSE OR WORKED

ON THE DRAFTING OF THE SECTIONS?

A. OF THOSE SECTIONS, YES.

I PREPARED THE FIRST DRAFT.

Q. AND YOU SAY THESE ARE SOLUTIONS TO THE PROBLEM OF WHAT, OF ABUSES OF THE INTERNAL REVENUE SERVICE?

A. PROPOSALS FOR SOLUTIONS.

Q. RIGHT. PROPOSED SOLUTIONS. SPECIFICALLY, WHAT WERE THOSE PROPOSED SOLUTIONS?

MR. WEINGARTEN: I DON'T KNOW IF WE HAVE TO APPROACH THE BENCH. BUT I OBJECT.

MR. LEWIN: WELL, THIS ALL LEADS UP.

THE COURT: LET'S GET TO THE OTHER MATTER BECAUSE WE ARE NOT GOING TO GET INTO THOSE DETAILS.

MR. LEWIN RIGHT.

BY MR. LEWIN:

Q. THEY WERE PROPOSALS FOR HOW TO DEAL WITH THE PROBLEM, RIGHT?

A. YES, SIR.

Q. COULD YOU JUST TELL US WHAT THOSE PROPOSALS WERE?

A. ONE WAS THE PROPOSAL TO LIMIT THE COLLECTION PRACTICES OF THE INTERNAL SERVICE TO WHAT IS CALLED THE FAIR DEBT COLLECTION PRACTICES ACT. THE OTHER WAS TO ABANDON THE PROGRESSIVE TAX RATE, AND INSTITUTE A SINGLE RATE THAT HAS COME TO BE CALLED A FLAT RATE TAX.

Q. SO THOSE WERE THE TWO PROPOSALS FOR LEGISLATIVE ACTION

THAT WERE SUGGESTED IN THAT BOOK?

A. YES, SIR.

Q. NOW, COULD YOU JUST DESCRIBE FOR THE COURT AND JURY, IN GENERAL TERMS, FROM YOUR EXPERIENCE IN CONGRESSMAN HANSEN'S OFFICE WHAT HIS APPROACH WAS TO LEGISLATIVE MATTERS. HOW WOULD HE APPROACH DEALING WITH SITUATIONS THAT REQUIRED SOLUTIONS, IN AN OVERALL GENERAL WAY?

A. MR. HANSEN IS WHAT WE CALL A POPULIST. HIS RELIANCE IS MORE ON GRASS ROOTS SUPPORT, THAN THE STRUCTURAL ORGANIZED OPERATION OF THE LEGISLATURE IN ITS NORMAL FUNCTION. IF HE DECIDES THAT HE IS TO PURSUE AN ISSUE, HE PURSUES IT BY GOING OUTWARD TO THE PEOPLE AND STATING A NEED AND OBJECTIVE, AND THEN SEEKING THEIR ASSISTANCE IN ARRANGING TO HAVE THE CONGRESS TAKE AN INTEREST IN THE PROBLEM THAT HE IS ADDRESSING.

Q. WAS IT FROM YOUR EXPERIENCE IN HIS OFFICE HIS PRACTICE TO TRY TO GENERATE PUBLIC SUPPORT IN THE WAY OF LETTERS AND POSTCARDS AND CALLS IN TO THE CONGRESSMEN ON MATTERS WITH WHICH HE WAS CONCERNED?

A. THAT IS THE WAY HE HAS OPERATED -- THE THREE-- OTHER THAN THIS-- IN MY TIME THERE. HE BEGINS A MAIL CAMPAIGN, ORGANIZES AN AD HOC COMMITTEE OF SOME KIND, PROPOSES A SOLUTION, AND SOLICITS THE GENERAL PUBLIC TO RESPOND TO THAT SOLUTION BY WRITING THEIR CONGRESSMAN SAYING SUPPORT, WHATEVER IT IS THAT MR. HANSEN IS AT THAT MOMENT ESPOUSING.

Q. WITH REGARD TO THIS MATTER OF CORRECTING THE ABUSES OF

THE INTERNAL REVENUE SERVICE, DID THE CONGRESSMAN FOLLOW ESSENTIALLY THE SAME COURSE?

A. YES, SIR.

. ALL RIGHT. COULD YOU TELL US WHAT IN TERMS OF APPROACH WAS DESIGNED TO BE DONE THE WITH REGARD TO EFFORTS TO CORRECT THE ABUSES OF THE INTERNAL REVENUE SERVICE?

A. WELL, THE 3 ELEMENTS WERE THIS, AS A DEVICE TO REACH THE GENERAL PUBLIC WITH WHAT HE PERCEIVED TO BE THE PROBLEM.

Q. THIS, YOU ARE POINTING TO?

A. I AM SORRY. THE BOOK AS A STIMULANT TO POPULAR RESPONSE TO HIS PROPOSALS; THE PROPOSALS, THEMSELVES, WHICH I JUST MENTIONED.

Q. THE LEGISLATIVE PROPOSALS?

A. THE LEGISLATIVE PROPOSALS; AND AN ORGANIZATION TO FOCUS THAT MASS RESPONSE BACK TO THE CONGRESSMAN.

Q. SO FAR AS YOUR DISCUSSIONS WITH THE CONGRESSMAN, IN 1980, WAS IT HIS INTENTION TO FOLLOW THAT 3-PART COURSE AT THAT TIME?

A. YES, SIR, WE WERE OPERATING UNDER THE ASSUMPTION THAT WE WOULD DO ALL 3 THINGS, RELATIVELY CONTEMPORANEOUSLY.

Q. NOW, WHEN WAS THAT BOOK YOU HAVE LYING BEFORE YOU PUBLISHED?

A. MY RECOLLECTION IS OCTOBER 1980. IT DOESN'T SAY, BUT I THINK IT WAS OCTOBER 1980.

Q. AND WHO WAS THE PUBLISHER OF THAT BOOK?

A. MR. HANSEN, HIMSELF. IT SHOWS POSITIVE PUBLICATION. THAT IS THE CONGRESSMAN.

Q. IT WAS JUST HE PERSONALLY FINANCED THE PRINTING OF IT?

A. YES, SIR.

Q. AND THE DISTRIBUTION?

A. EVERYTHING.

Q. AND WERE EFFORTS MADE TO SELL THE BOOK AT THAT POINT?

A. VIGOROUS EFFORTS WERE MADE. HE HAD INVESTED AT THAT TIME A SUBSTANTIAL SUM OF MONEY IN IT.

Q. OF MONEY FROM HIS OWN PERSONAL FUNDS, HIS AND MRS. HANSEN'S PERSONAL FUNDS?

A YES, SIR.

Q. TO YOUR KNOWLEDGE, AT THE FIRST STAGE WHEN THAT BOOK WAS PUBLISHED, DID THE CONGRESSMAN HAVE IN MIND THE POSSIBILITY OR LIKELIHOOD THAT HE MIGHT REALIZE A PERSONAL PROFIT IN TERMS OF THE SALE OF THAT BOOK?

A. OH, CERTAINLY. HE WAS IN FACT IN A POSITION OF SUBSTANTIAL DEBT. THE BOOK UNDOUBTEDLY COULD HAVE ASSISTED HAD IT SHOWN A PROFIT, AND HE ISSUED THE BOOK CERTAINLY PARTLY AT LEAST FOR PROFIT MOTIVES.

Q. YOU MENTIONED HE WAS IN DEBT. YOU KNEW HE WAS IN SUBSTANTIAL DEBT?

A. IT WAS A MATTER OF PUBLIC KNOWLEDGE, YES, SIR.

Q. AND YOU KNEW ALL THE BACKGROUND THAT WENT BACK TO THE PROPERTY SETTLEMENT AGREEMENT THAT WAS SIGNED?

A. WELL, I HAD READ THOSE FILES.

Q. WAS THERE A TIME LATER IN THE EFFORT WHEN THAT BOOK OR A SUBSEQUENT FORM OR VERSION OF IT WAS IN FACT USED AS PART OF ANOTHER PORTION OF THIS 3-PART EFFORT?

A. YES, SIR, THE ORIGINAL MAILINGS, THE ORIGINAL MASS MAILINGS USED THIS BOOK AS A PREMIUM. YOU ARE RIGHT. I AM NOT SURE IT WAS THIS BOOK. IT MIGHT HAVE BEEN THE SUBSEQUENT BOOK. ULTIMATELY OR LATER THAN THE PUBLICATION OF THIS, MR. HANSEN SOLD THE RIGHTS OF THE BOOK TO SIMON AND SCHUSTER, A NEW YORK PUBLISHING HOUSE. IT CAME OUT IN A DIFFERENT FORMAT. IT WAS ESSENTIALLY THE SAME BOOK.

THIS, OR THE SIMON AND SCHUSTER BOOK WAS USED AS A PREMIUM IN THE MASS MAILINGS, TO INDUCE PEOPLE TO GIVE IF-- MY RECOLLECTION IS IF THEY GAVE 20 DOLLARS OR MORE THEY WOULD GET A FREE BOOK.

Q. YOU ARE SPEAKING OF A SUBSEQUENT EDITION, WHICH YOU SAY WAS SUBSTANTIALLY THE SAME. I PLACE BEFORE YOU DEFENDANT'S EXHIBIT 21 AND ASK YOU IS THIS WHAT YOU ARE REFERRING TO?

A. THIS IS THE BOOK PUBLISHED BY SIMON AND SCHUSTER, YES, SIR.

Q. WERE THERE -- ALL RIGHT. THE SECOND ASPECT THAT YOU SPOKE OF, MR. MCKENNA, WAS THE LEGISLATIVE ASPECT, IS THAT CORRECT?

A. THAT IS RIGHT, THAT IS CORRECT.

Q. AND WERE STEPS TAKEN WITH REGARD TO THAT. IMPLEMENTING

THAT?

A. YES MR. HANSEN INTRODUCED H R 4093.

MR. LEWIN. MAY WE APPROACH THE BENCH, YOUR HONOR?

THE COURT: YES, SIR.

AT THE BENCH:

THE COURT: I TAKE IT, IT IS THE 3 BITS OF LEGISLATION WE HAVE DISCUSSED?

MR. LEWIN: PURSUANT TO YOUR HONOR'S RULING WE DRAFTED THIS STIPULATION. I UNDERSTAND THE GOVERNMENT HAS SOME PROBLEM WITH THE STIPULATION.

THE COURT: DO YOU HAVE THE BILLS THAT ARE THE SUBJECT MATTER OF THAT?

THE PROPOSED STIPULATION WHICH IS NOW SIGNED, " IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES ON JULY 9, 1981, THAT CONGRESSMAN HANSEN INTRODUCED H R 4093, THE TAXPAYER PROTECTION ACT. " THIS IS DEFENDANTS EXHIBIT 43. AND I JUST WANT TO SEE.

AND THEN, ON OCTOBER 22, 1981, THE STIPULATION GOES ON TO SAY, CONGRESSMAN HANSEN INTRODUCED IN CONGRESS H R 4821, THE TAX SIMPLIFICATION ACT.

AND ON NOVEMBER 10, 1981, CONGRESSMAN HANSEN INTRODUCED IN CONGRESS H R 4931, A REVISED BILL ENTITLED "TAXPAYER PROTECTION ACT. "

THAT CONCLUDES THE STIPULATION.

MR. WEINGARTEN: OUR HESITANCY ONLY INVOLVED A REQUEST

FOR CLARIFICATION. DOGS THIS MEAN THAT WE CAN DO LIKEWISE, INTRODUCE LEGISLATION, WITH THE SAME SORT OF STIPULATION?

MR. LEWIN: WE JUST WANTED THAT FILED BEFORE --

THE COURT: AS I UNDERSTAND, THE LEGISLATION WILL NOT BE INTRODUCED. THE STIPULATION WILL INDICATE AND ADVISE THE JURY THAT THERE HAS BEEN SUCH LEGISLATION INTRODUCED AND IT IS A SHORTHAND VERSION PRESUMABLY OF THE 3 LINES OR SO THAT GO RIGHT BENEATH THE H R NUMBER OR THE TWO LINES. I DON'T KNOW WHICH BILL YOU ARE LOOKING AT.

NO PROBLEM WITH THEM. YOUR CONCERN IS, I TAKE IT, CAN YOU HAVE QUID PRO QUO? IS THAT IT?

MR. WEINGARTEN: YES.

MR. LEWIN: I HAVE NO IDEA WHAT MR. WEINGARTEN --

MR. WEINGARTEN: SO WE DON'T BEAT AROUND THE BUSH, WE REPRESENT TO THE COURT THERE IS A BILL INTRODUCED BY CONGRESSMAN HANSEN JANUARY 15, 1979, ONE DAY BEFORE THE SILVER CONTRACTS WERE PURCHASED WE BELIEVE WE CAN SHOW WAS OF PECULIAR BENEFIT TO NELSON BUNKER HUNT AND SIMPLY STATED IF THERE IS A STIPULATION. I AM NOT SURE WHETHER OR NOT THIS STIPULATION MEETS ALL RAMIFICATIONS. IF WE ARE GOING TO INTRODUCE LEGISLATION OF CONGRESSMAN HANSEN, WE SHOULD BE ABLE TO DO EXACTLY LIKEWISE.

THE COURT: WE ARE NOT INTRODUCING THE LEGISLATION PER SE. WE ARE INTRODUCING A STIPULATION THAT THERE WAS LEGISLATION ON A DATE WITH THE SPECIFIC H R NUMBER WITHOUT ANY

OTHER DETAIL.

ONE IS INDICATED, TAXPAYERS PROTECTION, ONE IS CALLED TAXPAYERS PROTECTION ACT AND ONE IS CALLED TAX SIMPLIFICATION ACT. NOW THE LEGISLATION DOES STATE-- IT SAYS UNDER THE TITLE. IS THAT WHERE YOU TOOK THE INFORMATION FROM, GENTLEMEN?

MR. WEINGARTEN: THEN, I GUESS WHAT I AM SAYING DOESN'T HAVE TO BE MET AT THIS MOMENT.

THE COURT: I DON'T THINK SO. AND I DON'T ENVISION THE PROBLEM THAT I THINK YOU ENVISION AT THIS MOMENT. NOW DEFENSE COUNSEL IS NOT GOING TO AGREE AT THE TIME YOU WISH TO DO SOMETHING WITH THE OTHER MATTER, THAT THEY WILL ENTER INTO A STIPULATION. I DON'T KNOW WHETHER THEY WILL ENTER INTO A STIPULATION OR NOT.

MR. LEWIN: WE CERTAINLY ARE NOT WAIVING ANYTHING AT THIS TIME. WE THINK THIS IS ADMISSIBLE AND WHATEVER MR. WEINGARTEN WANTS TO PRESENT, WE WILL CONSIDER IT AT THAT TIME.

MR. WEINGARTEN: WE WILL AFFIX OUR SIGNATURES AND WE WILL BE HAPPY TO.

(IN OPEN COURT)

THE COURT: WE WILL ONLY BE ABOUT 35 MINUTES MORE, LADIES AND GENTLEMEN. THE MERE FACT THAT YOU SEE A CHANGE OF THE REPORTERS DOES NOT SIGNIFY THAT WE ARE GOING ON FOREVER TONIGHT. ONLY FOR ABOUT 35 MORE MINUTES, GIVE OR TAKE A FEW MOMENTS.

WE HAVE A STIPULATION THAT MR. LEWIN I UNDERSTAND IS GOING TO READ INTO THE RECORD AS SOON AS THE REPORTER IS READY TO LEAVE.

WE'RE READY. THANK YOU. YES, MR. LEWIN.

MR. LEWIN: LADIES AND GENTLEMEN OF THE JURY, THIS IS STIPULATION NO. 12: "IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES THAT ON JULY 9, 1981, CONGRESSMAN HANSEN INTRODUCED IN CONGRESS H.R. 4093, A BILL ENTITLED 'THE TAXPAYER PROTECTION ACT.' ON OCTOBER 22, 1981, CONGRESSMAN HANSEN INTRODUCED IN CONGRESS H.R. 4821, A BILL ENTITLED 'THE TAX SIMPLIFICATION ACT,' AND ON NOVEMBER 10, 1981, CONGRESSMAN HANSEN INTRODUCED IN CONGRESS H.R. 4931, A REVISED BILL ENTITLED 'THE TAXPAYER PROTECTION ACT.'"

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN OF THE JURY, AS WITH ALL PRIOR STIPULATIONS, YOU MAY CONSIDER THAT STIPULATION AS UNDISPUTED EVIDENCE.

MR. MCKENNA, WILL YOU RESUME THE WITNESS CHAIR, PLEASE.

BY MR. LEWIN:

Q NOW, MR. MCKENNA, YOU HAVE HEARD THAT STIPULATION READ. WERE THOSE THREE PIECES OF LEGISLATION THE LEGISLATIVE PORTION OF THAT THREE-PART PROGRAM THAT YOU DESCRIBED FOR US?

A YES, SIR.

Q NOW, THE OTHER -- THE THIRD PORTION I THINK THAT YOU DESCRIBED FOR US WAS THE ORGANIZATION OF A GRASS ROOTS MOVEMENT.

A YES, SIR.

Q AND COULD YOU TELL US WHAT STEPS, IN YOUR EXPERIENCE WITH CONGRESSMAN HANSEN, ARE ORDINARILY TAKEN AS INITIAL STEPS IN THAT REGARD.

A NORMALLY, THE CONGRESSMAN CASTS ABOUT FOR AN EXISTING ORGANIZATION TO WHICH HE CAN ATTACH THIS PARTICULAR PROGRAM WHICH HE WISHES TO ESPOUSE, AND USES THAT ORGANIZATION AS THE PARENT GROUP FOR WHATEVER PROJECT IT IS HE HAS IN MIND. THAT OPTION WAS CONSIDERED AND REJECTED BECAUSE OF THE NATURE OF THIS PARTICULAR PROJECT. AND BY MID-1981, IT WAS CLEAR THAT WE WOULD HAVE TO ORGANIZE A NEW GROUP.

THERE WAS SUBSTANTIAL DISCUSSIONS AT THAT TIME WITH A GENTLEMAN NAMED JARMAN --

Q COULD YOU SPELL THAT?

A J-A-R-M-A-N. GARY JARMAN, WHO IN FACT BECAME AN OFFICER OF THE ORGANIZATION WHEN IT WAS FINALLY INCORPORATED -- ABOUT THE FORM OF THE ORGANIZATION, WHETHER IT SHOULD BE

DIRECTLY A TAX ORGANIZATION OR ANOTHER KIND OF GROUP TO WHICH THIS PARTICULAR PROJECT WOULD BE AN INDIVIDUAL PROJECT.

Q YOU MEAN A BROADER ORGANIZATION, AND THIS WOULD BE ONE PROJECT OF A MORE --

A AN ORGANIZATION CONTEMPLATED TO BE BROADER, OF WHICH THIS WOULD BE THE FIRST OF MANY PROJECTS, YES, SIR.

Q AND WERE THESE DISCUSSIONS CONCERNING SUCH AN ORGANIZATION AND SUCH AN EFFORT IN PROGRESS IN 1981?

A BEGINNING IN THE EARLY SUMMER OF 1981, WE HAD THESE DISCUSSIONS WHICH ULTIMATELY, AFTER SOME DISCUSSION ABOUT WHO WOULD BE THE FUND-RAISER AND WHO WOULD MANAGE THIS AND WHO WOULD DO THAT, THE INCORPORATION CAME ABOUT SOMETIME IN SEPTEMBER OF 1981.

Q I PLACE BEFORE YOU, MR. MCKENNA, WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT 48 FOR IDENTIFICATION AND 49 FOR IDENTIFICATION, AND I ASK YOU WHETHER YOU CAN IDENTIFY THOSE DOCUMENTS.

A THE DOCUMENTS ARE, RESPECTIVELY, THE ARTICLES OF INCORPORATION OF THE NATIONAL BUSINESS ECONOMIC FREEDOM COUNCIL AND THE BY-LAWS OF THAT SAME ORGANIZATION.

Q AND WHAT WAS THE NATIONAL BUSINESS ECONOMIC FREEDOM COUNCIL?

A IT WAS A CORPORATION WHICH MR. JARMAN, CONGRESSMAN HANSEN, AND I INCORPORATED, TO WHICH WE HAD INTENDED TO AND DID APPEND THE ORGANIZATION WHICH WE CALL THE ASSOCIATION OF

CONCERNED TAXPAYERS, AND THE NATIONAL BUSINESS ECONOMIC FREEDOM COUNCIL WAS JUST THE PARENT GROUP FOR THE ASSOCIATION OF CONCERNED TAXPAYERS PROJECT.

Q WAS THERE SOME DISCUSSION PRIOR TO THE FORMATION OF THIS ORGANIZATION AS TO PRECISELY WHAT KIND OF AN ORGANIZATION UNDER THE INTERNAL REVENUE CODE SHOULD BE CREATED?

A YES, SIR. WE WERE GREATLY CONCERNED ABOUT WHETHER OR NOT WE SHOULD SEEK WHAT IS CALLED A 501(C)(3) TAX EXEMPTION.

Q WHAT IS THE CONSEQUENCE OF HAVING A 501(C)(3) TAX EXEMPTION?

A THE 501(C)(3) TAX EXEMPT ORGANIZATION IS LIMITED IN PURPOSE TO CHARITABLE, EDUCATIONAL, SCIENTIFIC WORK. AND IT IS BOTH, ITSELF, EXEMPT FROM FEDERAL TAXES, AND DONATIONS TO IT ARE EXEMPT UNDER A SEPARATE SECTION OF THE INTERNAL REVENUE CODE, SO THAT PEOPLE WHO DONATE TO A 501(C)(3) CAN TREAT THEIR DONATIONS SIMILAR TO THEIR DONATIONS TO A CHURCH.

THE 501(C)(3) PROVED UNDESIRABLE TO US, BECAUSE WE WERE GREATLY CONCERNED AT THE TIME ABOUT CONFIDENTIALITY AND ANONYMITY. THE CONFIDENTIALITY OF DONORS WAS A MATTER OF GRAVE CONCERN FROM THE VERY BEGINNING TO US, SO WE OPTED NOT TO ATTEMPT TO DO A 501(C)(3) AND, INSTEAD, INCORPORATED THIS ORGANIZATION AS A 501(C)(4), WHICH IS, ON ONE SIDE, AUTHORIZED TO INVOLVE ITSELF IN LEGISLATIVE INITIATIVES, BUT ON THE OTHER SIDE, LOSES THE TAX EXEMPTION AS TO DONATIONS FROM SUPPORTERS. THEY CANNOT DEDUCT CONTRIBUTIONS TO SUCH

AN ORGANIZATION FROM THEIR OWN TAX RETURNS.

Q SO THE ORGANIZATION COULD BE ONE THAT COULD LOBBY, BUT TO WHICH CONTRIBUTIONS ARE NOT TAX-DEDUCTIBLE.

A THAT IS CORRECT, SIR.

MR. LEWIN: NOW, I OFFER DEFENDANT'S EXHIBITS 48 AND 49 IN EVIDENCE.

MR. WEINGARTEN: NO OBJECTION, YOUR HONOR.

THE COURT: THEY ARE IN EVIDENCE, WITHOUT OBJECTION.

(DEFENDANT'S EXHIBITS 48 AND 49 WERE RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q THE LAST PAGE OF EXHIBIT 48 SPECIFIES THE THREE INDIVIDUALS WHO ARE TO BE DIRECTORS, THE INITIAL BOARD OF DIRECTORS OF THE NATIONAL BUSINESS ECONOMIC FREEDOM COUNCIL, AND THEY ARE GEORGE HANSEN, JAMES MCKENNA -- THAT'S YOU; IS THAT RIGHT?

A YES, SIR.

Q AND GEORGE HANSEN IS CONGRESSMAN HANSEN?

A THAT IS CORRECT.

Q AND GARY JARMAN. THAT IS THE INDIVIDUAL YOU WERE MENTIONING BEFORE.

A YES, SIR.

Q AND WAS IT YOUR TESTIMONY THAT THE ASSOCIATION OF CONCERNED TAXPAYERS WAS TO BE A PROJECT OF THE NATIONAL BUSINESS ECONOMIC FREEDOM COUNCIL?

A   YES, SIR. THIS ORGANIZATION, THE NATIONAL BUSINESS ECONOMIC FREEDOM COUNCIL, WAS FORMED SPECIFICALLY FOR THE PURPOSE OF SPAWNING THE ASSOCIATION OF CONCERNED TAXPAYERS.

Q   AND WHO WAS IT WHO WAS TO BECOME THE DIRECTOR, AS IT WERE, OF THE A.C.T. GROUP?

A   IT WAS ANTICIPATED THAT MR. JARMAN WOULD ACT AS THE EXECUTIVE DIRECTOR OF THE GROUP. MR. HANSEN WOULD BE THE PRESIDENT, AND I WOULD BE THE VICE PRESIDENT, OR CHAIRMAN AND VICE CHAIRMAN, RESPECTIVELY. MR. JARMAN WOULD BE THE TREASURER, AND IT WAS ANTICIPATED THAT HE WOULD BE THE EXECUTIVE DIRECTOR WHEN THERE WAS ANYTHING TO DIRECT.

Q   ALL RIGHT. WHAT WAS ANTICIPATED WOULD BE THE FIRST MEASURES THAT THIS ASSOCIATION OF CONCERNED TAXPAYERS WOULD DO TO GATHER THE GRASS ROOTS SUPPORT THAT WAS CONTEMPLATED?

A   MR. HANSEN'S STANDARD PROCEDURE WAS CONTEMPLATED HERE, THAT IS, TO ORGANIZE AND MAIL WHAT IS CALLED A DIRECT MAIL EFFORT, THAT YOU SEND TO SPECIFIED INDIVIDUALS AN ENVELOPE CONTAINING WHATEVER IT IS YOU ARE CONCERNED ABOUT AND WHATEVER IT IS YOU PROPOSE TO DO ABOUT IT AND WHAT YOU ASK THEM TO DO ABOUT IT. IT'S CALLED A DIRECT MAIL PACKAGE, AND IT IS DISTRIBUTED IN ACCORDANCE WITH ADDRESSEES WHOM YOU ACQUIRE FROM A SERVICE.

Q   THE DIRECT MAIL PACKAGE THAT IS SENT OUT SEEKS CONTRIBUTIONS?

A   OH, YES, SIR. THAT IS ONE OF ITS PRIMARY PURPOSES.

Q DID HE -- I'M SORRY. DID I INTERRUPT YOU?

A WELL, ITS OTHER PURPOSE, OF COURSE, IS TO SENSITIZE THE RECIPIENT TO THE NATURE OF THE PROBLEM AND SOLICIT HIS RESPONSE ON A POLITICAL OR LEGISLATIVE LEVEL.

Q I'M SORRY. SOLICIT HIS RESPONSE ON A --

A POLITICAL OR LEGISLATIVE LEVEL, DEPENDING ON WHAT THE PROBLEM IS.

Q WHICH MEANS, WHAT? I MEAN IN TERMS OF A POLITICAL OR LEGISLATIVE --

A YOU ARE ASKING HIM TO RESPOND BY ASKING HIS CONGRESSMAN TO DO SOMETHING, WHATEVER IT HAPPENS TO BE AT THAT TIME.

Q IN TERMS OF ACTUALLY IMPLEMENTING SUCH A PROGRAM, WHO ACTUALLY DOES THE WRITING OF THE LETTER AND DETERMINING WHAT GOES INTO AN ENVELOPE OF THAT KIND?

A THAT PACKAGE IS DEVELOPED BY DIRECT MAIL SPECIALISTS. THERE ARE A NUMBER OF SUCH COMPANIES WHICH HAVE GROWN UP OVER THE YEARS WHICH SPECIALIZE IN PUTTING THIS PACKAGE, THIS TYPE OF THING, TOGETHER. THEY DRAFT THE DOCUMENT -- THE BASIC DOCUMENT, THE LETTER. THEY ADVISE ON THE KIND OF CONTENTS: SHOULD YOU PUT A PIECE OF SLICK PAPER WITH A PICTURE IN? WHAT SORT OF POSTCARD FOR RESPONSE; WHAT SORT OF ENVELOPE ANTICIPATING SOMEBODY PUTTING A CHECK IN IT TO COME BACK? THE WHOLE INTRICATE, COMPLICATED PROCESS IS NORMALLY GIVEN TO ONE AGENCY, AND THAT AGENCY, SUBJECT TO

THE DIRECTION OF THE PARTY HIRING HIM, PRODUCES ONE OF THESE PACKAGES.

Q WAS THERE A PARTICULAR AGENCY THAT THE DIRECTORS OF THIS GROUP HAD DETERMINED WOULD BE DOING THIS JOB?

A AFTER SOME DISCUSSION, THE GROUP RETAINED MARTIN ADVERTISING AGENCY.

Q AND THAT WAS AN ADVERTISING AGENCY WITH WHICH CONGRESSMAN HANSEN HAD DEALT BEFORE?

A MARTIN ADVERTISING AGENCY HAD HAD PRIOR DEALINGS WITH MR. HANSEN ON A BUSINESS BASIS, YES, SIR.

Q WERE THERE OTHERS THAT WERE CONSIDERED AND REJECTED?

A YES, THERE WERE. OR PERHAPS SINGULAR WOULD BE BETTER. MR. JARMAN HAD SUGGESTED AN ALTERNATIVE. WE HAD SOLICITED FROM THAT ALTERNATIVE A SAMPLE WRITING, AND MR. HANSEN WAS NOT ENTIRELY ENTHUSIASTIC ABOUT THAT SAMPLE AND, THEREFORE, CHOSE TO GO WITH SOMEONE HE KNEW.

Q NOW, WERE THE PLANS FOR SUCH A DIRECT MAIL SOLICITATION BEING DISCUSSED IN THE SUMMER OF 1981?

A IT WAS DISCUSSED EARLIER THAN THAT, BUT THEY WERE BEING DISCUSSED IN THE SUMMER OF 1981.

Q AND AS OF THAT TIME, IN ORDER TO BEGIN A MAIL SOLICITATION OF THIS KIND, MR. MCKENNA, COULD YOU DESCRIBE FOR US WHETHER THERE HAS TO BE ANY FINANCIAL INITIAL INVESTMENT?

A THE WAY THAT THE COST OF SUCH AN ENDEAVOR IS BROKEN

DOWN IS BY THE COST OF A SINGLE ENVELOPE, THE ENTIRE PACKAGE. THOSE COSTS RUN ANYWHERE FROM 35 TO 50 CENTS PER DELIVERY, PER ITEM SENT OUT. I DON'T KNOW SPECIFICALLY, BUT PERHAPS AS MUCH AS HALF OF THAT MUST BE RAISED IN ADVANCE. SO THAT, YES, THE FIRST THING YOU NEED IS SUBSTANTIAL START-UP MONEY.

Q ALL RIGHT. WHAT IS THAT MONEY USED FOR? YOU SAY YOU NEED MONEY IN ORDER TO HAVE THIS MAIL SOLICITATION. WHAT DO YOU USE THE MONEY FOR?

A THERE ARE SOME COSTS WHICH YOU CAN DEFER ON A BUSINESS BASIS, 10 DAYS, 30 DAYS, 60 DAYS. THERE ARE OTHERS WHICH ARE, BY TRADITION AND PERHAPS ECONOMIC CAUTION, WHAT'S CALLED UP FRONT. THE DIRECT MAIL OPERATOR HIMSELF USUALLY WANTS HIS CREATIVE COSTS UP FRONT. SOMETIMES THE PRINTING COSTS MUST BE PAID IN ADVANCE. THE COLLATERAL SERVICES FROM PEOPLE WHO RECEIVE THE RETURNS AND PACKAGE THEM -- THEY ARE CALLED A CAGING OPERATION --

Q CAGING?

A C-A-G-I-N-G, IS THAT PART OF THIS LITTLE COMPLEX WHICH RECEIVES THE RETURN ENVELOPES, OPENS IT, TABULATES THE CHECKS, AND REPORTS TO THE SPONSOR, WHOEVER THAT MIGHT BE.

THE ADVANCE COSTS DEPEND ENTIRELY UPON THE SIZE OF THE ANTICIPATED ORIGINAL MAILING.

Q NOW, HOW ABOUT THE MAILING LISTS, THE LISTS OF NAMES?

A I'M SORRY. THE MAILING LISTS THEMSELVES ARE DONE ON A BASIS OF PER THOUSAND, SO MANY DOLLARS PER THOUSAND.

THEY ARE NEVER DONE ON A BILLED BASIS -- DEFERRED BILLING. YOU PAY IN ADVANCE FOR THOSE, SOMETIMES AS MUCH AS MONTHS IN ADVANCE OF YOUR ABILITY TO USE THE LIST.

Q SO THAT THERE ARE COMPANIES THAT PROVIDE LISTS OF NAMES AND REQUIRE THAT THEY BE PAID FOR THOSE LISTS OF NAMES.

A YES, SIR. THEY ARE CALLED MAILING LIST COMPANIES, AND THERE ARE AT LEAST THREE OR FOUR, TO MY KNOWLEDGE.

Q AND HOW ABOUT THE POSTAL SERVICE? DOES IT REQUIRE PAYMENT IN ADVANCE?

A YOU MUST ESTABLISH AN ACCOUNT FOR THE PAYMENT OF THE BUSINESS RETURN ENVELOPES FOR REASONS OF SOLICITATION TO MAKE IT AS EASY FOR SOMEBODY TO DONATE MONEY TO THE CAUSE AS POSSIBLE. THE RETURN ENVELOPE, WHICH THEY CALL A "BRE", A BUSINESS REPLY ENVELOPE, IS POSTAGE-FREE TO THE PERSON SENDING IN THE CONTRIBUTION. POSTAGE IS GUARANTEED BY THE ADDRESSEE ON THE ENVELOPE, AND THAT MUST BE PAID IN ADVANCE. AN ACCOUNT IS MAINTAINED IN THE POST OFFICE AGAINST WHICH EACH LETTER IS CHARGED AS A DEBIT. THAT MUST BE PAID IN ADVANCE, BASED, AGAIN, ON THE NUMBER OF OUTGOING ENVELOPES AND THE ANTICIPATED RETURN.

Q NOW, WAS IT EXPECTED IN THE SUMMER OF 1981 -- AND SPECIFICALLY, I AM REFERRING TO JULY AND AUGUST OF 1981 -- THAT FUNDS WOULD BE NEEDED IMMINENTLY TO UNDERWRITE SUCH A DIRECT MAIL CAMPAIGN?

A WE WERE ANTICIPATING GOING INTO THE MAIL PROCESS

RELATIVELY IMMEDIATELY, IN JULY. PART OF THE PROCEDURE IS TO PUT YOUR LEGISLATIVE PROPOSAL INTO PLACE AND THEN SOLICIT THE GRASS ROOTS REACTION TO THAT LEGISLATIVE PROPOSAL WHILE IT IS RELATIVELY NEW.

Q THE STIPULATION THAT HAS BEEN READ TO THE JURY REFERS TO THE FACT THAT THE TAXPAYER PROTECTION ACT WAS ACTUALLY INTRODUCED AS LEGISLATION ON JULY 9, 1981.

A THAT'S CORRECT.

Q SO IT WAS ABOUT THAT TIME THAT -- OR FOLLOWING THAT TIME THAT THESE MAILINGS --

A WELL, WE WERE HOPEFUL THAT WE WOULD BE IN THE MAIL SOMETIME IN THE MID-SUMMER TO LATE SUMMER OF 1981. THAT DID NOT PROVE OUT TO BE THE FACT.

Q DID CONGRESSMAN HANSEN EXPRESS TO YOU AT THAT POINT ANY FIGURES AS TO THE NUMBER OF LETTERS HE WAS THINKING OF SENDING OUT ON THIS PROJECT?

A YES, SIR. HE WAS TALKING IN TERMS OF A MILLION LETTERS.

Q A MILLION LETTERS.

A WHICH I TRIED TO DISCOURAGE.

Q AND YOU DESCRIBED, I BELIEVE, PREVIOUSLY, THE COST OF A LETTER, ONE LETTER IN SUCH A CAMPAIGN, AS COMING TO WHAT? BETWEEN THIRTY --

A BETWEEN 35 AND 50 CENTS, DEPENDING ON THE MATERIALS IN -- THE COST OF THE RAW MATERIALS IN THE LETTER.

Q SO THE TOTAL COST FOR A MILLION LETTERS WOULD BE BETWEEN $350,000 AND $500,000?

A 350,000 TO A HALF A MILLION; THAT'S CORRECT, SIR.

Q AND ABOUT HOW MUCH OF THAT WOULD HAVE TO BE PAID IN ADVANCE TO START OFF SUCH A MAIL CAMPAIGN?

A SOMEWHERE BETWEEN ONE HUNDRED AND TWO HUNDRED THOUSAND DOLLARS. IT WOULD BE DIFFICULT IN ADVANCE TO BE SURE.

Q WERE THERE REASONS WHY THIS MAIL EFFORT WAS NOT DONE IN THE SUMMER?

A YES. THE PROBLEM THAT WE DISCUSSED EARLIER HAD AN EFFECT. WE WERE DEALING WITH THE INVESTIGATORY AGENCIES WITH REGARD TO THE BLACKMAIL MATTER; THAT SLOWED US DOWN. THE INEVITABLE DISAGREEMENTS AMONG THE PARTIES AS TO THE TECHNIQUES TO BE USED AND THE PERSONNEL TO BE HIRED; THAT SLOWED US DOWN.

THE NET EFFECT OF IT WAS THAT WE DIDN'T GET INTO OPERATION UNTIL NEAR THE END OF THE SUMMER, RATHER THAN AS WE ANTICIPATED, AT THE BEGINNING OF THE SUMMER.

Q THE REVISED TAXPAYER PROTECTION ACT WAS INTRODUCED ON NOVEMBER 10, 1981, WASN'T IT?

A THAT'S CORRECT.

Q SO DID IT APPEAR AROUND THAT TIME AGAIN AS IF SOMETHING MIGHT BE GENERATED?

A WELL, SPECIFICALLY, THE OTHER OF THE LATTER TWO BILLS, 4821, WHICH IS OF ALL OF THEM THE EASIEST TO DRAFT --

IT IS A VERY SIMPLE BILL -- WAS PUT INTO THE HOPPER -- WAS INTRODUCED INTO THE CONGRESS IN OCTOBER, WITH THE SPECIFIC -- AS TO ITS TIMING, ANYWAY, WITH THE SPECIFIC IDEA OF PUTTING MAIL OUT IN ORDER TO TAKE ADVANTAGE OF THE POPULARITY OF THAT IDEA.

Q WITH REGARD TO MAILINGS, DID YOU ALSO HAVE TO PLAN IN ADVANCE AS TO THE TIME WHEN THE MAILINGS WOULD BE MADE?

A THE PEOPLE WHO RENT YOU -- AND THAT IS THE LITERAL TERM THAT THEY USE -- RENT YOU OTHER PEOPLE'S NAMES, ALSO IN THEIR CONTRACT REQUIRE YOU TO DROP THAT MATERIAL IN THE MAIL ONLY BETWEEN SEVERELY RESTRICTED DATES. ONE OF THE PROBLEMS OF ANY MASS MAILING OF ANY SUBSTANTIAL SIZE IS THAT YOU MUST AMASS THE NUMBER OF NAMES YOU WANT AND AMASS EITHER IMMEDIATELY CONTIGUOUS OR RELATIVELY CLOSE DATES IN ORDER TO SEND THEM OUT. THAT, ALSO, IS A LIMITING FACTOR ON WHEN YOU CAN DO CERTAIN THINGS. IN OUR CASE, IT SERIOUSLY IMPEDED OUR EFFORTS TO MAIL IN NOVEMBER AND DECEMBER, ALTHOUGH WE GOT SOME MAIL OUT IN DECEMBER. THERE WAS AN INTERNAL DISPUTE ABOUT WHETHER OR NOT ONE SHOULD MAIL DURING THE CHRISTMAS SEASON, AND THERE WERE ONLY SOME LIMITED TEST MAILINGS.

AND FINALLY, ALL OF THE FACTORS THAT HAVE TO COME TOGETHER DIDN'T COME TOGETHER UNTIL LATE FEBRUARY OR EARLY MARCH.

Q LET ME PLACE BEFORE YOU, MR. MCKENNA, DEFENDANT'S

EXHIBIT 81 FOR IDENTIFICATION.

A YES, SIR.

Q . I'VE GOT IT IN SORT OF TWO VERSIONS, I GUESS. THAT'S A COPY, BUT THIS IS ONE THAT APPEARS IN THAT FORMAT.

COULD YOU TELL US WHAT DEFENDANT'S EXHIBIT 81 IS?

A THIS IS A LETTER WHICH IS THE PRINCIPAL THRUST OF THE KIND OF PACKAGE THAT I DESCRIBED TO YOU EARLIER. IN THIS CASE, IT IS THE PRINCIPAL THRUST OF THE ASSOCIATION OF CONCERNED TAXPAYERS. IT IS A LETTER ANNOUNCING WHAT THE PROBLEM IS, TRYING TO INTEREST THE PARTY TO WHOM IT IS ADDRESSED -- A RECIPIENT TYPE OF A PARTY -- AND ANNOUNCING THE PROPOSAL FOR SOLUTION AND ASKING FOR ASSISTANCE, BOTH IN THE WAY OF FINANCIAL CONTRIBUTION AND BY WAY OF RESPONSE TO MEMBERS OF CONGRESS THAT THEY BECOME CONCERNED ABOUT THE ISSUE.

MR. LEWIN: I OFFER DEFENDANT'S EXHIBIT 81 IN EVIDENCE.

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

THE COURT: ALL RIGHT.

(AT THE BENCH)

MR. WEINGARTEN: YOUR HONOR, THE WITNESS HAS JUST DESCRIBED THE DOCUMENT; HE HAS DESCRIBED THE PURPOSE OF THE DOCUMENT. I SAY THE CONTENTS OF THE DOCUMENT ARE INFLAMMATORY. THEY COULD DIVERT THE ATTENTION OF THE JURY. THIS ANALOGY BETWEEN THE GESTAPO AND THE IRS IN THE DOCUMENT CAN ONLY

SERVE AS A DIVERSION. ANY USE -- ANY LEGITIMATE USE OF THIS DOCUMENT HAS BEEN ACCOMPLISHED THROUGH THE TESTIMONY OF THE WITNESS.

THE WHOLE ISSUE IS WHETHER OR NOT THE MONIES RECEIVED WENT THROUGH THIS PROGRAM; NOT WHETHER OR NOT THIS PROGRAM IS A GOOD PROGRAM, NOT WHETHER OR NOT THE IRS IS THE GESTAPO, NOT WHETHER THE IRS IS A PROSECUTOR, JUDGE AND JURY. AND WHAT LEGITIMATE PURPOSE CAN THIS DOCUMENT SERVE IN THE JURY ROOM OTHER THAN TO DISTRACT THE JURY FROM THE REAL ISSUE?

AND FOR THAT PURPOSE, WE OBJECT TO ITS ADMISSION.

MR. LEWIN: YOUR HONOR, THIS IS THE LETTER THAT WAS SENT OUT WITH THE MONEY THAT CONGRESSMAN HANSEN SOLICITED. WE ARE ENTITLED TO SHOW THE JURY THE LETTER THAT WAS SENT OUT.

THE COURT: FOR THE MONEY. NOT WITH THE MONEY. FOR THE MONEY. IS THAT RIGHT?

MR. LEWIN: YES.

THE COURT: THIS IS WHERE HE IS ASKING FOR MONEY.

MR. LEWIN: NO, NO. HE SOLICITED THE MONEY FROM MR. MCAFEE AND ROGERS AND MEADE FOR THE ASSOCIATION OF CONCERNED TAXPAYERS.

THE COURT: OH, I SEE. SURE, SURE.

MR. LEWIN: THIS RESULTED FROM THAT SOLICITATION. THIS IS SQUARELY THE DEFENSE, AND THE PURPOSE IS TO DEMONSTRATE

EXACTLY THAT THIS IS THE PROJECT FOR WHICH FUNDS WERE BEING SOUGHT AT THAT PERIOD OF TIME. IT IS PROPER FOR THE JURY TO CONSIDER.

THE COURT: IT WILL BE ADMITTED IN EVIDENCE, OVER OBJECTION.

NOW, I'VE GOT YOU UP HERE. IT IS SIX MINUTES OF SEVEN. I TAKE IT YOU ARE NOT GOING TO FINISH.

MR. LEWIN: NO. SHOULD WE STOP HERE, YOUR HONOR? THAT'S FINE WITH ME.

THE COURT: IS THERE ANYTHING ELSE SURROUNDING THIS THAT WE COULD FINISH IN THE NEXT FIVE MINUTES, OR IS IT JUST GOING TO BE GOING FOR A WHILE CONCERNING THE ASSOCIATION? I DON'T MEAN THE LETTER SPECIFICALLY.

MR. LEWIN: THERE ARE A FEW THINGS REGARDING THE LETTER SPECIFICALLY. I SUPPOSE I COULD TAKE TWO OR THREE MINUTES.

THE COURT: WHAT DO YOU WANT TO DO NOW, MR. LEWIN, WHEN YOU GET IT IN EVIDENCE?

MR. LEWIN: I WANT TO REFER TO THE FACT THAT IT HAS A SOLICITATION AND IT HAS CARDS TO SEND TO THE SENATORS AND CONGRESSMEN.

THE COURT: O.K.

MR. LEWIN: AND TO THE FACT THAT THE PEOPLE WERE TOLD THAT THE REPLIES WOULD BE KEPT STRICTLY CONFIDENTIAL.

THE COURT: FINE. I JUST DON'T WANT A READING OF

THE ENTIRE FOUR OR FIVE OR SIX-PAGE LETTER.

FINE. GOOD.

(IN OPEN COURT)

BY MR. LEWIN:

Q WITH REGARD TO EXHIBIT 81, MR. MCKENNA --IT'S IN EVIDENCE?

THE COURT: IT IS IN EVIDENCE.

MR. LEWIN: THANK YOU, YOUR HONOR.

(DEFENDANT'S EXHIBIT 81 WAS RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q EXHIBIT 81 IS FOUR PAGES OF A LETTER SIGNED BY CONGRESSMAN GEORGE HANSEN, IS THAT CORRECT?

A THAT'S CORRECT, SIR.

Q AND IT'S ON A LETTERHEAD HEADED, "CONGRESSMAN GEORGE HANSEN, HOUSE OF REPRESENTATIVES, WASHINGTON, D. C." IS THAT CORRECT?

A THAT IS CORRECT.

Q AND ATTACHED TO IT, OR ENCLOSED -- WHY DON'T YOU OPEN UP THE ENVELOPE THAT YOU'VE GOT ON THERE. IS THAT THE FORMAT IN WHICH IT WOULD COME TO THE RECIPIENT, IN AN ENVELOPE OF THAT KIND?

A YES, SIR. THIS IS THE NATURE OF THE MAILING.

Q O.K. AND JUST OPEN THAT UP SO EVERYBODY CAN SEE HOW IT LOOKS IN TERMS OF WHAT'S INSIDE. JUST UNFOLD THAT.

O.K. THERE IS ESSENTIALLY A LETTER.

A A LETTER --

Q WHICH IS FOUR PAGES, IS THAT RIGHT?

A YES, SIR.

Q THERE IS A --

A A FINANCIAL RESPONSE.

Q A FINANCIAL RESPONSE.

A THE RETURN ENVELOPE.

Q THERE'S A RETURN ENVELOPE.

A AND THE POSTCARD, SIR.

Q AND A POSTCARD. AND THE POSTCARD HAS GOT POSTCARDS TO SENATORS AND CONGRESSMEN, IS THAT CORRECT?

A THAT IS CORRECT, SIR. EVERYBODY HAS TWO SENATORS AND ONE CONGRESSMAN.

Q SO PEOPLE ARE BEING ASKED TO SEND THE POSTCARDS TO THEIR TWO SENATORS AND THEIR CONGRESSMAN, ASKING THEM TO DO WHAT?

A ASKING THEM TO SUPPORT MR. HANSEN'S BILLS.

Q AND SPECIFICALLY, IN THIS CASE, THE TAXPAYER PROTECTION ACT; IS THAT CORRECT?

A THAT'S CORRECT, SIR.

Q AND SO FAR AS THE LETTER ITSELF IS CONCERNED, IS THERE ANY REFERENCE IN THE LETTER TO THE MATTER OF CONFIDENTIALITY?

A YES, SIR. THERE IS MORE THAN ONE REFERENCE TO IT.

Q WHERE DO THEY APPEAR, MR. MCKENNA?

A ON THE FIRST PAGE, THE LETTERHEAD PAGE, A LITTLE MORE THAN HALFWAY DOWN: "YOUR REPLY WILL BE KEPT STRICTLY CONFIDENTIAL", ALL UNDERLINED.

Q IT'S THE ONLY SENTENCE THAT IS FULLY UNDERLINED ON THE FIRST PAGE; IS THAT CORRECT?

A YES, SIR. THAT'S CORRECT.

Q ALL RIGHT. AND THEN WHERE ELSE DOES IT APPEAR IN THE -- IN THIS MATERIAL?

A IT APPEARS IN THE POSTSCRIPT, WHICH IS AFTER THE -- WELL, IT'S SILLY; ALL POSTSCRIPTS ARE AFTER THE SIGNATURE. BUT IT'S AFTER THE CONGRESSMAN'S SIGNATURE; IT HAS A POSTSCRIPT ANNOUNCING THAT "A.C.T. WILL KEEP YOUR NAME AND ADDRESS AND THE AMOUNT YOU CONTRIBUTE STRICTLY CONFIDENTIAL." AND IT GOES ON TO SAY OTHER THINGS.

Q AND HOW ABOUT THE MAILING, THE MAILER ITSELF, THE ONE TO SEND IN THE CONTRIBUTION? THE LAST SENTENCE.

A "PLEASE KEEP MY NAME AND ADDRESS AND THE AMOUNT I AM DONATING IN STRICT CONFIDENCE" IS WRITTEN AS PART OF THE PACKAGE THAT GOES OUT ON THIS ACKNOWLEDGEMENT AND OFFER OF CONTRIBUTION.

Q SO THAT SOMEBODY WHO SENDS IT IN IS ESSENTIALLY SAYING, TOGETHER WITH HIS OR HER CONTRIBUTION, "PLEASE KEEP MY NAME AND ADDRESS AND THE AMOUNT I AM DONATING IN CONFIDENCE."

A YES, SIR.

Q AND ON THAT VERY SAME FORM THAT YOU HOLD IN YOUR HAND, THERE IS A BOX WHICH ONE CHECKS IF ONE SENDS IN A DONATION OF $20 OR MORE, WHAT HE'S GOING TO GET?

A THE PREMIUM THAT I MENTIONED EARLIER, A COPY OF THE CONGRESSMAN'S BOOK ON THE MATTER UNDER DISCUSSION.

Q AND THE WHOLE FORMAT OF THAT SLIP IS "A.C.T", WHICH STANDS FOR ASSOCIATION OF CONCERNED TAXPAYERS, "TO STOP", WITH A STOP SIGN IN RED, IS THAT CORRECT -- "IRS ABUSES."

A YES, SIR.

Q AND THAT WAS THE ORGANIZATION THAT YOU HAVE BEEN DESCRIBING, THE ASSOCIATION OF CONCERNED TAXPAYERS.

A YES, SIR, IT IS THAT ORGANIZATION.

THE COURT: ALL RIGHT. WE ARE GOING TO STOP HERE AT THIS POINT, COUNSEL, AND CONTINUE WITH MR. MCKENNA TOMORROW.

MR. MCKENNA, YOU ARE IN THE MIDST OF YOUR TESTIMONY. I ASK, THEREFORE, THAT YOU NOT DISCUSS IT WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THIS MATTER IS CONCLUDED. WE WILL SEE YOU BACK HERE AT 10:00 O'CLOCK TOMORROW MORNING FOR A CONTINUATION OF YOUR TESTIMONY.

AND, LADIES AND GENTLEMEN OF THE JURY AND COUNSEL AND MR. HANSEN, IT WILL BE 10:00 O'CLOCK TOMORROW MORNING THAT WE WILL RESUME. WE WILL PLAN ONCE AGAIN TOMORROW TO SIT UNTIL APPROXIMATELY 7:00 P.M. IN THE EVENING. AND I WOULD ASK THAT YOU HAVE A GOOD EVENING. I HOPE IT'S NOT

RAINING OUT THERE OR THUNDERING. I DID HEAR SOME NOISE, AND PERHAPS YOU DID, TOO. MAYBE IT WAS JUST THE CLEANING CREW. I CAN ALWAYS BE OPTIMISTIC.

NONETHELESS, 10:00 O'CLOCK TOMORROW MORNING. REMEMBER THE CONTINUING ADMONITION NOT TO DISCUSS THE CASE WITH ANYONE. HAVE A GOOD EVENING. SEE YOU TOMORROW MORNING, 10:00 O'CLOCK FOR ALL OF US.

(WHEREUPON, AT 7:00 P.M., THE TRIAL WAS ADJOURNED, TO RECONVENE AT 10:00 A.M., THURSDAY, MARCH 29, 1984)

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

MINDI COLCHICO
OFFICIAL COURT REPORTER

SHIRLEY POREJOY
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - - X

UNITED STATES OF AMERICA :

VS. : CRIMINAL ACTION NO. 83-75

GEORGE VERNON HANSEN, : VOLUME NO. 9

DEFENDANT :

- - - - - - - - - - - - - - - - - - - X

WASHINGTON, D. C.

THURSDAY, MARCH 29, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 10:00 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX

WITNESS	DIRECT	CROSS	REDIRECT	RECROSS
JAMES T. MCKENNA (RESUMED)	1396	1472	1523 1540	1533
GARY JARMIN	1558	1568	1581	1587
DAVID SCOTT	1589	1603	1620	

EXHIBIT	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
77-A	1495	
77-B	15[illegible]	
87		1508
78	1592	1598
79	1596	
DEFENDANT'S		
38		1397
46		1405
51 THROUGH 68		1408
87	1410	
88	1454	1454
3		1557
41		1557
46-A		1557

P R O C E E D I N G S

THE COURT: MORNING, ALL.

MR. LEWIN: GOOD MORNING, YOUR HONOR.

MR. WEINGARTEN: GOOD MORNING, YOUR HONOR.

THE COURT: YES, MR. LEWIN, ARE WE READY TO BEGIN? SHALL WE CALL THE JURY IN?

MR. LEWIN: YES, YOUR HONOR. JUST TWO SMALL ITEMS.

WE HAVE, I THINK, SERVED ON GOVERNMENT COUNSEL AND FILED WITH THE COURT A COPY OF PROPOSED JURY INSTRUCTIONS.

THE COURT: YES. I RECEIVED THE GOVERNMENT'S, I THINK, SOME TIME AGO, AND NOW I HAVE YOURS, SO I HAVE A SET THAT I CAN LOOK OVER. DOES THAT SAY TO ME WITH SOME OPTIMISM THAT WE ARE MOVING IN THAT DIRECTION?

MR. LEWIN: I TRUST WE ARE.

THE COURT: AND WHAT DOES THAT MEAN?

MR. LEWIN: WELL, THAT MEANS I ADVISED MR. WEINGARTEN THIS MORNING--WE HAVE, AS YOUR HONOR IS AWARE, A FUNDAMENTAL QUESTION WHICH IS COMMON IN ALL CRIMINAL CASES, AT LEAST, WHICH IS THE QUESTION OF WHETHER THE DEFENDANT WOULD OR WOULD NOT TESTIFY. THAT'S A MATTER WHICH WE WILL HAVE TO BE MAKING A DECISION ON AT THE APPROPRIATE TIME. I ANTICIPATE THAT IS SOMETHING WHICH, IF WE DETERMINE THAT HE DOES NOT TESTIFY, WOULD SUBSTANTIALLY SHORTEN THE DEFENSE.
AND CONSEQUENTLY, AS I ADVISED HIM THIS MORNING, IF HE DOES NOT TESTIFY, WE MIGHT VERY WELL BE RESTING BY VERY EARLY IN

THE DAY TODAY. WE JUST HAVE SOME VERY SMALL WITNESSES BEYOND MR. MCKENNA.

AND, CONSEQUENTLY, I WOULD THINK THERE WOULD BE EVERY HOPE THAT IF THE REBUTTAL IS EITHER NONEXISTENT OR SHORT, THAT THIS CASE COULD BE WRAPPED UP EVIDENCE-WISE MAYBE EVEN TODAY.

THE COURT: AND IF MR. HANSEN CHOSE TO TAKE THE WITNESS CHAIR, WHICH, OF COURSE, IS ENTIRELY UP TO HIM, AS WE ALL RECOGNIZE, ABOUT HOW LONG DO YOU THINK THAT WOULD BE AS FAR AS ADDING TO THE CASE?

MR. LEWIN: I THINK, FRANKLY, IN TERMS OF HIS DIRECT TESTIMONY, I SUSPECT IT MIGHT VERY WELL BE A MATTER OF AN HOUR-AND-A-HALF, TWO HOURS, MAYBE TWO-AND-A-HALF HOURS. IN TERMS OF CROSS-EXAMINATION, JUDGING BY WHAT MR. WEINGARTEN DID IN TERMS OF THE LENGTH OF HIS CROSS-EXAMINATION OF MRS. HANSEN, IT COULD BE A SIMILAR AMOUNT OF TIME, OR MORE. SO I SUSPECT WE ARE TALKING ABOUT CERTAINLY ANOTHER HALF DAY OR MORE OF TRIAL IF HE DOES TAKE THE WITNESS STAND.

THE COURT: ALL RIGHT. AND I TAKE IT, FROM YOU SAY, YOU HAVEN'T YET MADE THAT FINAL DECISION.

MR. LEWIN: MY EXPERIENCE HAS SHOWN ME THAT THAT IS A DECISION WHICH IS WISEST MADE REALLY -- OR LEFT OPEN TO THE TIME.

THE COURT: I AGREE WITH YOU ENTIRELY. VERY GOOD.

LET'S MOVE ON. OH, I'M SORRY.

MR. WEINGARTEN: IS IT THE COURT'S INTENTION, IF IT DOES EXTEND OVER FRIDAY, TO COME IN THIS WEEKEND? CAN I JUST ASK THAT?

THE COURT: WELL, LET ME FOLLOW THROUGH AND SEE HOW CLOSE WE GET TO THAT TIME. MUCH OF IT WILL DEPEND ON TIMING. I'M ALSO AWARE OF YOUR SITUATION OF TOMORROW, MR. WEINGARTEN. SO I HAVE TO FEED ALL OF THESE THINGS INTO THE EQUATION. AND I THINK THAT WE CAN ONLY MAKE THOSE DECISIONS ONCE WE KNOW FINALLY WHAT THE DEFENSE HAS DONE AND WHEN THE DEFENSE RESTS. ONCE WE KNOW THAT, THEN, OF COURSE, I TURN TO YOU TO SEE IF THERE IS GOING TO BE ANY REBUTTAL AND, IF SO, THE LENGTH OF THAT. BY THAT TIME -- YOU KNOW, IT'S VERY HARD TO MAKE A JUDGMENT ON IT.

MY PREFERENCE WOULD BE NOT TO DO ANYTHING ON THIS WEEKEND. AND I HAVE BEEN TALKING TO THE MARSHALS THAT IF WE WENT TO THIS WEEKEND, AS I HAD SURMISED WE PROBABLY WERE GOING TO, HAD ALL SORTS OF DELIGHTFUL PLANS FOR THE JURY THAT I WAS TRYING TO WORK OUT FOR THEM. ON THE OTHER HAND, I MAY HAVE TO RECONSIDER THAT AND MAY HAVE TO DO SOMETHING ON THE WEEKEND. I WOULD REGRET DOING IT. I WOULD PREFER NOT TO. I WOULD PREFER TO HAVE THEM START FRESH, IF THEY CAN, MONDAY, OR WE TO START FRESH ON MONDAY IF WE ARE IN THE CLOSING ARGUMENTS ASPECT OF IT OR SUCH.

BUT, AGAIN, I HAVE TO PLAY THAT BY WHERE WE ARE.

MR. WEINGARTEN: ONE THING I AM CONCERNED ABOUT, IF MR. LEWIN RESTS, LET'S SAY EARLY AFTERNOON, I'M NOT SURE

THAT WE CAN GET ALL OUR REBUTTAL TOGETHER BY THAT SHORT NOTICE. I'M SURE WE WILL NEED SOME SORT OF CHARGE CONFERENCE.

THE COURT: OH, OF COURSE.

MR. WEINGARTEN: SO PERHAPS, IF WE HAD AN OPPORTUNITY TO HAVE A LITTLE BIT OF REBUTTAL TOMORROW MORNING, AND THEN IF WE CLOSED, I SUPPOSED WE COULD CLOSE AND CHARGE, ALL TOMORROW.

THE COURT: YES. BUT I AM CONCERNED ALSO ABOUT WHAT YOU HAD TOLD ALL OF US AT THE BENCH THE OTHER DAY ABOUT YOUR SITUATION AND THE TIMING THERE. AND THIS IS SOMETHING THAT I HAVE TO FACTOR IN. I HAVE MR. LEWIN'S PROBLEM, 4:00 O'CLOCK, BUT THAT COULD BE EXTENDED, THEN, AS WE HAD TALKED ABOUT EARLIER, IF NEED BE, AND IF WE WERE AT A CERTAIN POINT.

SO, THERE ARE SO MANY HYPOTHETICALS THAT LET US GO ON, BUT I WOULD SUGGEST THAT IN LIGHT OF WHAT MR. LEWIN SAID, THAT IF YOU ALREADY KNOW OF SOME POTENTIAL REBUTTAL WITNESSES, THAT YOU PUT THEM ON AN ALERT TO HAVE THEM ON STANDBY.

MR. WEINGARTEN: YES; WE WILL DO THAT.

MR. LEWIN: FRANKLY, YOUR HONOR, THAT'S PRECISELY WHY I CALLED MR. WEINGARTEN EARLY THIS MORNING. AND I THINK HE WILL CORROBORATE THE FACT THAT I HAD TOLD HIM ALL ALONG THAT THE QUESTION OF WHETHER THE DEFENDANT TAKES THE WITNESS STAND IS SOMETHING I MAKE A DECISION ON AT THE VERY LAST

MINUTE. THAT'S MY INVARIABLE RULE -- IN CONSULTATION WITH THE DEFENDANT, OF COURSE. BUT IT IS A DECISION WE LEAVE UNTIL THE LAST MINUTE.

THE COURT: ALL RIGHT. FINE. SURELY.

MR. LEWIN: ONE OTHER MATTER, YOUR HONOR, I DISCUSSED WITH MR. WEINGARTEN. HE IS, WITHOUT OBJECTION, OFFERING IN EVIDENCE -- EXCEPT FOR THE OBJECTION THAT WE HAD MADE PRIOR TO THE TRIAL -- RELEVANT LINES AND PORTIONS OF TAX RETURNS, AND WE WOULD LIKE SIMILARLY TO OFFER THE PAGE OF THE SCHEDULE D FOR THE 1979 RETURN, WHICH REFLECTS REPORTING OF THE $87,475 IN THE SILVER COMMODITY TRANSACTION.

MR. WEINGARTEN: THAT'S FINE.

THE COURT: I TAKE IT THERE IS NO PROBLEM. THEY ARE BOTH IN. FINE. GOOD.

ARE WE READY FOR THE JURY?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: WHY DON'T WE BRING THE JURORS IN.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: SHALL WE CONTINUE WITH THE TESTIMONY. MR. MCKENNA, IF YOU WILL RESUME THE STAND. I HAVE TO REMIND YOU, OF COURSE, THAT YOU CONTINUE UNDER OATH, AND WE WILL HAVE A CONTINUATION OF THE DIRECT EXAMINATION.

THE WITNESS: YES, MA'AM.

JAMES T. MCKENNA

RESUMED THE STAND AS A WITNESS AND, HAVING BEEN PREVIOUSLY DULY SWORN, WAS EXAMINED AND TESTIFIED FURTHER AS FOLLOWS:

THE COURT: GOOD MORNING.

THE WITNESS: GOOD MORNING.

THE COURT: ALL RIGHT, MR. LEWIN.

DIRECT EXAMINATION (RESUMED)

BY MR. LEWIN:

Q MR. MCKENNA, JUST TO RETURN TO ONE SUBJECT AREA THAT WE HAD COVERED BRIEFLY YESTERDAY, BACK IN MAY OF 1978, I BELIEVE YOU TESTIFIED -- AND I SHOWED YOU MR. RUNFT'S ITEMIZATION ON HIS BILL -- YOU TESTIFIED THAT YOU HAD HAD DISCUSSIONS WITH THE CONGRESSMAN AND MR. RUNFT CONCERNING THE PROBLEM WITH THE HOUSE SELECT COMMITTEE ON ETHICS. DO YOU RECALL THAT TESTIMONY?

A YES, SIR.

Q AND IN THAT REGARD, THAT WAS, I BELIEVE, ON MAY 5 OF 1978, ACCORDING TO THE RECORD THAT I PLACED BEFORE YOU.

A I DON'T REMEMBER THE SPECIFIC DATE, BUT THAT SOUNDS RIGHT.

Q AND THAT WAS A MATTER IN WHICH, AS I RECALL, YOU SAID YOU WERE CONSULTING ON THE QUESTION OF THE PRESS REPORTS CONCERNING THE OMISSION OF MRS. HANSEN'S ASSETS AND LIABILITIES FROM THE HOUSE FORM.

A YES, SIR.

Q NOW, TO YOUR KNOWLEDGE, PURSUANT TO THOSE DISCUSSIONS AND SUBSEQUENT TO THEM, WAS A LETTER SENT TO THE CHAIRMAN OF THE HOUSE SELECT COMMITTEE ON ETHICS?

A YES, SIR.

Q AND I PLACE BEFORE YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 38 FOR IDENTIFICATION, AND I ASK YOU WHETHER YOU CAN IDENTIFY THAT LETTER.

A YES, SIR. THAT'S THE LETTER THAT WAS DRAFTED BY MR. RUNFT AND SIGNED BY MR. HANSEN ON THAT OCCASION, RECITING THE PROBLEM THAT WE HAD ADDRESSED AND DEALING WITH THE MATTER OF HIS LEGAL POSITION WITH REGARD TO THE REPORT.

Q AND DID YOU SEE THAT LETTER OR A DRAFT THEREOF BEFORE IT WAS SENT?

A YES, SIR. THE LETTER IS SUBSTANTIALLY MR. RUNFT'S WORK, BUT I DID SEE IT, AND WE DID TO THAT EXTENT CONSULT.

MR. LEWIN: I OFFER DEFENDANT'S EXHIBIT 38 IN EVIDENCE.

MR. WEINGARTEN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE WITHOUT OBJECTION.

(DEFENDANT'S EXHIBIT NO. 38
WAS RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q THAT LETTER DID DISCUSS THE PROPERTY SETTLEMENT AGREEMENT, DID IT NOT?

A YES, SIR. IN SOME DETAIL.

Q ON PAGE 2 OF THAT LETTER.

A THAT'S CORRECT. YES, SIR.

Q AND IT DISCUSSED, SPECIFICALLY, THE RULES OF THE HOUSE AND THE ADVISORY OPINION NO. 12 WHICH THE HOUSE HAD ISSUED?

A IT REFERS TO ADVISORY OPINION NO. 12 AND RULE 44.

Q AND THE CLOSING, THE BOTTOM PARAGRAPH ON PAGE 2 READS, "I AM CONFIDENT THAT MY FILING, DONE CAREFULLY WITH ADVICE OF LEGAL COUNSEL, IS COMPLETELY IN ACCORD WITH THE APPROPRIATE RULES OF THE HOUSE AND IN ACCORD WITH THE COURSE OF ACTION OF WHICH WE HAVE KEPT YOUR OFFICE COMPLETELY ADVISED. AT THIS TIME, I RESPECTFULLY REQUEST CONFIRMATION OF THE VALIDITY OF MY REPORT."

A THAT IS AN ACCURATE QUOTATION.

Q YOU TESTIFIED YESTERDAY THAT THE HOUSE COMMITTEE ON ETHICS WAS ADVISED OF THE PROPERTY SETTLEMENT AGREEMENT AND THEN CONTINUED TO BE ADVISED. IS IT THIS LETTER AND THEN SUBEQUENTLY ORAL DISCUSSIONS --

A AS FAR AS I KNOW, THIS IS THE EARLIEST DOCUMENTARY REFERENCE TO THAT.

Q DID YOU AT ANY TIME IN THE FUTURE BUTTRESS THAT WITH ORAL STATEMENTS?

A AS I TESTIFIED YESTERDAY, I HAVE SPOKEN TO STAFF ON THIS SPECIFIC ISSUE AT LEAST FOUR, AND I THINK FIVE TIMES.

Q TO YOUR KNOWLEDGE, DID CONGRESSMAN HANSEN EVER

RECEIVE A RESPONSE FROM MR. PREYER TO THIS LETTER ASKING -- WHICH IN ANY WAY REJECTED THE VALIDITY OF HIS REPORT?

A MY PERSONAL RECOLLECTION IS NO. AND I HAVE SEARCHED THE FILES, AND WE CAN'T FIND A RESPONSE.

Q SO THERE HAS BEEN NO RESPONSE TO THIS LETTER.

A AS FAR AS I KNOW.

Q THANK YOU.

O.K. LET'S GO BACK TO WHERE WE LEFT OFF YESTERDAY, MR. MCKENNA. WE WERE DISCUSSING, YOU WILL RECALL, THE MATTER OF THE A.C.T. LETTER, WHICH IS EXHIBIT 81 IN EVIDENCE. HAVE YOU GOT THAT BEFORE YOU?

A YES, SIR, I DO.

Q AND I BELIEVE WE HAD CONCLUDED AT THE POINT WHERE WE HAD POINTED OUT THE VARIOUS REFERENCES TO THE FACT THAT ANY REPLY AND THE NAME OF ANY CONTRIBUTOR WOULD BE KEPT STRICTLY CONFIDENTIAL. COULD YOU EXPLAIN FOR THE COURT AND JURY WHAT THE REASON WAS FOR THIS CONFIDENTIALITY?

A IT WAS THE PERCEPTION OF THE CONGRESSMAN, IN WHICH I CONCURRED, THAT THERE WAS REASON TO BELIEVE THAT PEOPLE WHO INVOLVED THEMSELVES IN CONTROVERSIAL ACTIVITY WITH REFERENCE TO THAT AGENCY SUFFERED CONSEQUENCES OTHER THAN THE NORMAL CONSEQUENCES.

Q SO THE PURPOSE WAS TO ASSURE PEOPLE THAT THEIR NAMES WOULD NOT BECOME KNOWN IF THEY CONTRIBUTED TO THIS EFFORT.

A TO ASSURE THEM THAT THEY WOULD NOT, BY REASON OF ANY CONTRIBUTION, BECOME A TARGET.

Q OF THE INTERNAL REVENUE SERVICE.

A YES, SIR.

Q NOW, THE LETTER THAT YOU HAVE BEFORE YOU, DEFENDANT'S EXHIBIT 81 IN EVIDENCE, WAS THAT THE ONLY LETTER THAT WAS SENT OUT, OR WERE THERE OTHERS -- LET ME STRIKE THAT.

CAN YOU JUST DESCRIBE FOR US WHAT WAS DONE IN THE WAY OF MAILING, THEN, OF THESE KINDS OF LETTERS? AND APPROXIMATELY WHEN?

A THERE WERE A NUMBER OF -- IT ISN'T PROPER TO CALL THEM REVISIONS -- VERSIONS OF THE SAME GENERAL STORY, WHICH IS QUITE THE ACCEPTED AND COMMON THING. YOU KEEP ADJUSTING THE GENERAL CONTENT OF THE LETTER TO ALLOW FOR SUBSEQUENT EVENTS, TO ALLOW FOR CHANGES IN THE LEGISLATIVE PICTURE. YOU ALLOW FOR ANY OF THE VARIABLES THAT WOULD INFLUENCE PEOPLE. AS A CONSEQUENCE, THIS, AS ALMOST ANY DIRECT MAIL EFFORT, WENT THROUGH A SERIES OF REVISIONS -- VERSIONS. AND OVER THE COURSE OF TIME -- THE TOTAL MAILING WAS IN THE NEIGHBORHOOD OF THREE MILLION. THAT WAS DONE -- THE FIRST MILLION WAS SOMEWHERE BETWEEN JANUARY 1 OF 1982, AND BY THE EARLY PART OF JUNE OR JULY. THE NEXT MILLION WAS SOMETIME BETWEEN THEN AND THE END OF THE YEAR. AND, QUITE FRANKLY, SOMETIME IN 1983 THE TOTAL GOT UP TO THREE MILLION. THEY WERE DONE ON AN OCCASIONAL BASIS, BASED ON THE AVAILABILITY OF

OF THE LISTS THAT I MENTIONED YESTERDAY, ON THE AVAILABILITY OF FUNDS TO FINANCE MAILINGS, ON THE OPPORTUNENESS OF THE OCCASION; OCCASIONALLY ON THE BASIS OF SPECIFIC NEEDS FOR SPECIFIC ASPECTS OF THE PROJECT.

Q AND WERE YOU PERSONALLY INVOLVED AND KEPT CURRENT ON HOW THIS PROJECT WAS BEING CARRIED OUT?

A YES, SIR. I WAS ONE OF THE THREE OFFICERS AND THREE DIRECTORS, AND WE WERE KEPT ADVISED BY THE DIRECT MAILER ON A RELATIVELY CONSTANT BASIS.

Q DID YOU HAVE FINANCIAL RESPONSIBILITIES, AS WELL, WITH REGARD TO THIS ASSOCIATION?

A WELL, MR. JARMIN WAS DIRECTLY THE TREASURER, BUT SINCE I WAS INTERNAL TO THE OFFICE, I WAS CHARGED WITH KEEPING AN EYE ON THAT ASPECT OF IT, YES.

Q DID YOU HAVE CHECK SIGNING PRIVILEGES OR RESPONSIBILITIES?

A ON THE A.C.T. ACCOUNT I WAS ONE OF TWO CO-SIGNORS FOR ALMOST THE ENTIRE PERIOD, AND PERHAPS FOR THE ENTIRE PERIOD.

Q COULD YOU TELL US APPROXIMATELY WHAT TIME OF THE YEAR IN 1982 THERE WAS THE HEAVIEST CONCENTRATION OF MAILING OF THESE A.C.T. LETTERS TO THE PUBLIC?

A LATE FEBRUARY, EARLY MARCH. I THINK THE TOTAL AT THAT TIME APPROACHED 800,000.

Q WAS THERE A PARTICULAR REASON WHY THERE WAS THAT

HEAVY A MAILING IN MARCH?

A WELL, THERE WAS A REASON OF NECESSITY AND A REASON OF, SO TO SPEAK, MAKING A LEMON OF LEMONADE. I DISCUSSED EARLIER THE DIFFICULTIES WITH GETTING A PACKAGE TOGETHER WITH THE CONSTRICTION IMPOSED UPON YOU BY THE PERSON WHO RENTS YOU THE LIST OF NAMES, BY INTERNAL DISAGREEMENTS AS TO WHETHER OR NOT IT WAS APPROPRIATE TO MAIL OVER THE CHRISTMAS SEASON. THE NEXT TIME A WINDOW OF AVAILABILITY WAS OPEN CAME AFTER MID-FEBRUARY.

THE OTHER ASPECT OF IT, WHICH WAS SORT OF A FORTUITOUS THING, IS THAT THAT PUT THE MAIL IN THE POSSESSION OF THE PEOPLE WE HOPED WOULD TAKE AN INTEREST IN IT JUST PRIOR TO APRIL 15TH, WHICH IS, OF COURSE, A DAY THAT EVERYBODY DREADS.

Q NOW, WITH REGARD TO THESE MAILINGS, COULD YOU JUST NAME OFFHAND WHO SOME OF THE SUPPLIERS WHO WOULD BE PROVIDING SERVICES AND WOULD HAVE TO BE PAID WERE? DO YOU RECALL THEM JUST OFF THE TOP OF YOUR HEAD?

A YOU MEAN AS TO THE ENTIRE PACKAGE?

Q YES. WHO WOULD BE --

A WELL, THE PRINTER. IN THE MAIN, THAT WAS AN ORGANIZATION KNOWN AS METRO PRINTING.

Q METRO PRINTING. ALL RIGHT.

A YES, SIR. THE LIST RENTALS WHICH I MENTIONED TO YOU EARLIER WERE PRINCIPALLY THE AMERICAN MAILING LIST COMPANY, WHICH IS OUT ON LEESBURG PIKE.

OF COURSE, THE MAIL COSTS OF THE UNITED STATES GOVERNMENT ARE --

Q THE POSTMASTER.

A THE POSTMASTER. OF COURSE, THE CREATIVE COSTS, THE DIRECT MAILER HIMSELF IS ENTITLED TO A PERCENTAGE FEE ON THE COSTS THAT GETS MAILED, AND THAT'S A SUBSTANTIAL AMOUNT OF MONEY IN ITSELF.

Q AND WHO WAS THAT?

A THE MARTIN ADVERTISING COMPANY.

Q COULD YOU TELL THE COURT AND JURY, PLEASE, MR. MCKENNA, WHO PROVIDED THE FUNDS FOR THESE MAILINGS THAT WERE DONE IN THAT PERIOD IN NOVEMBER OF 1981--FROM NOVEMBER OF 1981 UNTIL THE BEGINNING OF 1982? WHERE DID THE CASH COME FROM TO PAY THOSE PEOPLE?

A OUT OF MR. HANSEN, PERSONALLY.

Q MR. HANSEN PERSONALLY.

A YES, SIR.

Q AND TO YOUR KNOWLEDGE, IN WHAT FORM? WHAT DID HE DO? DID HE DELIVER --

A HE DID TWO THINGS. HE PAID CHECKS DIRECTLY TO THE SUPPLIERS AND PROVIDERS OF SERVICES, AND ON A FEW OCCASIONS PAID THEM DIRECTLY TO A.C.T. AND ALLOWED FOR THE DISTRIBUTION OF THE FUNDS THROUGH THE A.C.T. ACCOUNT.

Q AGAIN, YOU WERE AT THAT TIME INVOLVED IN SOME

SUPERVISORY CAPACITY AS A DIRECTOR WITH OVERSEEING HOW THIS WAS BEING CARRIED OUT; IS THAT CORRECT?

A YES, SIR.

Q COULD YOU GIVE US SOME IDEA, IN TERMS OF YOUR RECOLLECTION, OF APPROXIMATLEY HOW MUCH MONEY CONGRESSMAN HANSEN PUT INTO THIS EFFORT IN THE FIRST PART OF 1982?

A WELL, I DON'T KNOW THE FIRST PART OF '82, BUT BEGINNING IN THE FIRST TEST MAILINGS AND COMING TO THE END OF THE 800,000 MAILINGS THAT I MENTIONED EARLIER, THE FIGURE IS IN EXCESS OF $138,000.

Q LET ME PUT BEFORE YOU WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT 46 FOR IDENTIFICATION.

A YES, SIR. I REMEMBER THIS LETTER.

Q COULD YOU TELL US WHAT DEFENDANT'S EXHIBIT 46 FOR IDENTIFICATION IS?

A IT IS A LETTER OR A MEMORANDUM FROM A LADY NAMED GINA JARMIN, WHOM I THINK I IDENTIFIED FOR YOU BEFORE AS THE WIFE OF GARY JARMIN, ONE OF THE THREE DIRECTORS OF THIS A.C.T., TO THE THREE PARTICIPATING MEMBERS: CONGRESSMAN HANSEN, HER HUSBAND, AND MYSELF. THE SUBJECT MATTER WAS ADMINISTRATIVE PROCEDURES. AND IT'S ONLY A PAGE LONG.

MR. LEWIN: WE OFFER DEFENDANT'S EXHIBIT 46 FOR IDENTIFICATION IN EVIDENCE.

MR. LEWIN: NO OBJECTION, YOUR HONOR.

THE COURT: IN EVIDENCE.

(DEFENDANT'S EXHIBIT NO. 46
WAS RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q THE DATE OF THAT MEMORANDUM IS APRIL 7, 1982, IS IT NOT?

A THAT'S CORRECT.

Q ALL RIGHT. LET ME --

MR. LEWIN: YOUR HONOR, COULD WE MARK -- OH, IT IS MARKED 46-A. SORRY. LET ME PUT THAT UP.

THE COURT: COUNSEL HAVE SEEN IT? NO PROBLEMS?

MR. WEINGARTEN: THIS IS RELEVANT.

THE COURT: VERY GOOD.

JUST PUT IT IN SUCH MANNER THAT I MAY ALSO SEE IT, COUNSEL. THAT'S ALL RIGHT. I WANT EVERYBODY TO SEE IT, AND IT MAKES IT A LITTLE AWKWARD, I RECOGNIZE. PERHAPS A LITTLE BIT FARTHER BACK MIGHT DO THE TRICK. THAT'S FINE, AS FAR AS I'M CONCERNED.

CAN THE JURORS SEE IT? THE JURORS CANNOT SEE IT. I SEE ONE OF THE JURORS IN THE BACK ROW SHAKING HIS HEAD NEGATIVELY.

MR. LEWIN: SHOULD WE PUT IT ON THAT SIDE, YOUR HONOR?

THE COURT: SURELY. JUST AS LONG AS EVERYONE CAN SEE IT. AND I KNOW THE COURTROOMS AREN'T TOO WELL SET UP FOR THIS KIND OF DISPLAY. LET'S TRY IT THIS WAY, AS WE DID

WITH OTHER MATTERS, LADIES AND GENTLEMEN OF THE JURY.

NOW, MR. MCKENNA, HOW IS YOUR VIEWING OF THAT? CAN YOU SEE THAT?

THE WITNESS: WELL, I THINK I HAVE THE ORIGINAL.

THE COURT: I KNOW. BUT WE WANT YOU TO BE ABLE TO LOOK.

MR. LEWIN: THAT'S A DUPLICATE COPY, YOUR HONOR, OF THE PAPER, SO --

THE WITNESS: YES, MA'AM, I CAN SEE IT FINE.

THE COURT: FINE. LADIES AND GENTLEMEN OF THE JURY, CAN EACH OF YOU SEE THAT?

BY MR. LEWIN:

Q THAT'S A MEMORANDUM THAT YOU RECEIVED ON OR ABOUT APRIL 7TH OF 1982 FROM MRS. JARMIN; IS THAT CORRECT?

A THAT IS CORRECT.

Q O.K. AND DID THAT -- IF YOU WILL JUST LOOK AT THAT, IT INDICATES A RECOMMENDATION THAT A PARTICULAR ACCOUNTING FIRM BE USED; IS THAT CORRECT?

A YES, SIR.

Q NOW, UNDER IT, IN THIS KIND OF INDENTED SECTION, THERE ARE A LIST OF WHAT? WHAT IS THAT -- TO YOUR RECOLLECTION, WHAT IS THAT LIST?

A IT'S A LIST OF OUTSTANDING OBLIGATIONS INCURRED BY A.C.T. IN THE COURSE OF MAILING THE MAIL PACKAGES THAT I REFERRED TO EARLIER.

Q ALL RIGHT. LET ME DIRECT YOUR ATTENTION SPECIFICALLY TO WHAT I WILL MARK HERE WITH AN ARROW. THERE IS AN ENTRY THERE THAT SAYS "GEORGE HANSEN, $135,000." WHAT DOES THAT REFLECT, TO YOUR RECOLLECTION?

A IT REFLECTS THE FUNDS THAT I JUST MENTIONED, THAT MR. HANSEN PAID PERSONALLY OUT OF HIS PERSONAL ACCOUNTS TO SEED -- TO GET A.C.T.'S DIRECT MAILING STARTED.

Q O.K. AND DID YOU KNOW AT THE TIME THAT THOSE PAYMENTS WERE BEING MADE THAT HE WAS MAKING THOSE -- PAYING THOSE CHECKS TO VARIOUS SUPPLIERS?

A YES, I DID.

MR. LEWIN: ONE MOMENT, PLEASE, YOUR HONOR.

BY MR. LEWIN:

Q LET ME PLACE BEFORE YOU, MR. MCKENNA, WHAT HAVE BEEN MARKED AS DEFENDANT'S EXHIBITS 51 THROUGH -- LET'S SEE. 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, AND 68 FOR IDENTIFICATION, AND ASK YOU WHETHER YOU CAN IDENTIFY THAT GROUP OF DOCUMENTS.

THE COURT: DO YOU NEED A COLORED PENCIL OR SOMETHING?

MR. BRAGA: THERE ARE SOME RIGHT HERE I SEE, YOUR HONOR.

THE COURT: VERY GOOD.

THE WITNESS: YES, SIR.

BY MR. LEWIN:

Q WHAT ARE THOSE DOCUMENTS?

A THEY ARE A GROUP OF CHECKS ISSUED BY MR. HANSEN ON A COUPLE OF DIFFERENT ACCOUNTS, BUT, BASICALLY, HIS OWN PERSONAL ACCOUNTS, PAYABLE TO SERVICERS OR SUPPLIERS OF A.C.T. OVER A PERIOD OF TIME, FROM THE 9TH OF NOVEMBER THROUGH THE 24TH OF MARCH -- 9TH OF NOVEMBER, 1981, TO THE 24TH OF MARCH, 1982.

Q AND TO THE BEST OF YOUR RECOLLECTION, ARE THEY THE PAYMENTS THAT MR. HANSEN MADE AT THAT TIME FOR THAT A.C.T. PROJECT?

A THEY MAY NOT BE ALL THE PAYMENTS, BUT THEY ARE PAYMENTS THAT HE MADE.

MR. LEWIN: ALL RIGHT. I OFFER THEM IN EVIDENCE.

MR. WEINGARTEN: NO OBJECTION.

THE COURT: THEY ARE IN EVIDENCE NOW.

(DEFENDANT'S EXHIBITS 51 THROUGH 68 WERE RECEIVED IN EVIDENCE)

BY MR. LEWIN:

Q CAN YOU, MR. MCKENNA, PLEASE, AS I WRITE THESE ON THE BOARD, FIRST TELL ME WHAT THE EXHIBIT NUMBER IS, THEN WHOM THE CHECK IS MADE OUT TO, WHAT THE DATE IS, AND WHAT THE AMOUNT IS.

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

THE COURT: ALL RIGHT.

(AT THE BENCH)

MR. WEINGARTEN: I JUST REQUEST AN OPPORTUNITY TO KNOW WHAT MR. LEWIN IS GOING TO DO.

MR. LEWIN: I'M GOING TO ADD UP THOSE CHECKS. THEY COME TO 135,000 -- JUST UNDER 135,000.

MR. WEINGARTEN: I THOUGHT YOU HAD A CHART FOR THAT.

MR. LEWIN: NO. WE HAVE A CHART THAT GOES BEYOND MARCH. AND INSTEAD, WHAT I'M GOING TO DO, SINCE -- IN TERMS OF DEALING WITH THIS WITNESS, I AM JUST GOING TO MAKE A CHART RIGHT HERE. IT WON'T TAKE LONG, JUST A COUPLE MINUTES. THE OTHER CHART GOES BEYOND MARCH.

THE COURT: THE OTHER CHART IS NOT THE SAME; IT DUPLICATES AND GOES BEYOND.

MR. LEWIN: THAT'S RIGHT. IT WOULD HAVE TO DO WITH ANOTHER WITNESS.

THE COURT: IT DOESN'T DUPLICATE ANY OF IT?

MR. LEWIN: NO, IT DOESN'T DUPLICATE ANY OF IT.

THE COURT: ALL RIGHT. GOOD. IT SHOULD BE MARKED, THOUGH, I WOULD SUGGEST, MR. LEWIN.

(IN OPEN COURT)

THE COURT: MR. LEWIN, SINCE YOU ARE WORKING ON SOMETHING THERE, WHY DON'T YOU HAVE IT MARKED AS YOUR NEXT PROPOSED EXHIBIT. ALL RIGHT?

MR. LEWIN: FINE.

MR. WEINGARTEN?

THE COURT: MR. WEINGARTEN, YOUR ATTENTION IS NEEDED UP HERE AGAIN.

(AT THE BENCH)

MR. LEWIN: I HAD ADVISED MR. GIULIANI THAT WE MIGHT CALL HIM THIS MORNING. HE IS GOING TO BE IN WASHINGTON ANYWAY. I DISCUSSED THIS WITH MR. WEINGARTEN BEFORE THE SESSION BEGAN, AND REALLY, SINCE I THINK HIS TESTIMONY WOULD BE DUPLICATIVE, SINCE WE ARE TRYING TO GET THE THING DONE, I HAVE A NOTE THAT HE'S ARRIVED, AND I AM PREPARED TO EXCUSE HIM. AND MR. WEINGARTEN INDICATED --

MR. WEINGARTEN: I HAVE NO PROBLEM WITH THAT. AND IF WE CHANGE OUR MINDS, WE WILL JUST BRING HIM BACK.

MR. LEWIN: RIGHT. I JUST WANTED TO TELL THE COURT. SO WE WILL EXCUSE HIM.

THE COURT: THANK YOU.

(IN OPEN COURT)

MR. LEWIN: SO THIS WILL BE MARKED --

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 87 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 87 WAS MARKED FOR IDENTIFICAITON)

MR. LEWIN: DEFENDANT'S EXHIBIT 87.

BY MR. LEWIN:

Q THE FIRST EXHIBIT NUMBER?

A IS 51.

Q 51. AND THE DATE OF THE CHECK?

A 11/9/81.

Q AND THE PAYEE?

A MARTIN ADVERTISING.

Q AND THE AMOUNT?

A $4,500.

Q EXHIBIT 52? THE DATE?

A 11/23/81.

Q PAYEE?

A IS THE SAME, MARTIN ADVERTISING.

Q ALL RIGHT. AND THE AMOUNT?

A $8,000.

Q NEXT CHECK? 53?

A 53, 11/24/81. THE SAME PAYEE.

Q AND THE AMOUNT?

A $7,500.

Q 54?

A DECEMBER 4, 1981.

Q AND THE PAYEE?

A POSTMASTER. THE WHOLE PAYEE IS WASHINGTON, D. C. POSTMASTER, WASHINGTON.

Q ALL RIGHT. AND THE AMOUNT?

A $200.

Q 55?

A 11/9/81.

Q PAYEE?

A MARTIN ADVERTISING.

Q AND THE AMOUNT?

A $5,000.

Q I'M SORRY. WHY DON'T YOU TELL ME, AS TO EACH OF THOSE WHICH YOU HAVE ALREADY DESCRIBED, THE PARTICULAR ACCOUNT THAT THEY WERE DRAWN ON.

A 51, A JOINT ACCOUNT, FIRST INTERSTATE BANK, POCATELLO, IDAHO.

Q SO IT'S A JOINT ACCOUNT IN POCATELLO:

A OF MR. AND MRS. HANSEN.

Q O.K. AND THE SECOND CHECK?

A THE SAME.

Q ALL RIGHT. THE THIRD CHECK?

A THE SAME.

Q THE FOURTH CHECK, EXHIBIT 54?

A THE SAME.

Q AND EXHIBIT 55?

A THE SAME.

Q ALL RIGHT. LET'S GO ON TO EXHIBIT 56. DATE?

A I'M SORRY. I WAS JUST CHECKING TO BE SURE IT WAS THE SAME ACCOUNT NUMBER.

Q EXHIBIT 56. DATE?

A 12/14/81.

Q AND THE PAYEE?

A. METRO PRINTING AND MAILING.

Q METRO PRINTING. IS THAT THE PRINTER THAT YOU HAD PREVIOUSLY MENTIONED TO US?

A THAT IS THE PRINTER TO WHOM I ADVERTED EARLIER, YES, SIR.

Q AND THE AMOUNT?

A $5,000.

Q AND ON WHAT ACCOUNT WAS THAT DRAWN?

A THE SAME AS THE OTHERS.

Q ALL RIGHT. 57? DATE?

A 12/17/81.

Q AND THE PAYEE?

A MARTIN ADVERTISING.

Q AND THE AMOUNT?

A $1750.

Q AND THE ACCOUNT?

A THE SAME.

Q 58?

A 2/12/82.

Q THE PAYEE?

A MARTIN ADVERTISING.

Q THE AMOUNT?

A $7,500.

Q THE ACCOUNT?

A THE SAME.

Q 59? THE DATE?

A MARCH 4, 1982.

Q THE PAYEE?

A AGAIN THE POSTMASTER.

Q THE AMOUNT?

A $48.35.

Q AND THE ACCOUNT?

A THIS IS A DIFFERENT ACCOUNT. IT'S DENOMINATED THE GEORGE HANSEN REACH ACCOUNT, RIGGS NATIONAL BANK.

Q ALL RIGHT. SO WE'LL CALL IT HANSEN REACH?

A R-E-A-C-H.

Q AND THAT'S RIGGS NATIONAL BANK?

A THAT'S CORRECT, SIR.

Q SO THAT'S WASHINGTON, D. C.?

A YES, SIR.

Q ALL RIGHT. LET'S JUST CALL IT RIGGS.
60? DATE?

A 3/15/82.

Q PAYEE?

A METRO PRINTING AND MAILING.

Q AND THE AMOUNT?

A $10,000.

Q TEN THOUSAND. AND THE ACCOUNT?

A THE SAME AS THE PRECEDING.

Q HANSEN REACH?

A YES, SIR.

Q ALL RIGHT. 61? DATE?

A MARCH 16TH, 1982.

Q THE PAYEE?

A METRO PRINTING AND MAILING.

Q AND THE AMOUNT?

A $10,000.

Q AND THE ACCOUNT?

A THE SAME AS THE OTHER TWO.

Q 62? DATE?

A MARCH 18, 1982.

Q PAYEE?

A THE SAME, METRO PRINTING AND MAILING.

Q THE AMOUNT?

A $15,000.

Q AND THE ACCOUNT?

A THE SAME, THE GEORGE HANSEN REACH.

Q NO. 63? DATE?

A MARCH 19, 1982.

Q THE PAYEE?

A METRO PRINTING AND MAILING.

Q THE AMOUNT?

A $15,000.

Q THE ACCOUNT?

A THE REACH ACCOUNT, THE SAME AS THE PRECEDING.

Q 64? DATE?

A MARCH 22ND, 1982.

Q PAYEE?

A THE SAME, METRO PRINTING AND MAILING.

Q THE AMOUNT?

A $10,000.

Q AND THE ACCOUNT?

A THE SAME AS THE PRECEDING.

Q NEXT ONE, 65.

A 3/24/1982.

Q PAYEE?

A IT'S FOUR INITIALS: AMLC, WHICH STAND FOR AMERICAN MAILING LIST COMPANY.

Q AMERICAN MAILING -- WHO WAS THE AMERICAN MAILING LIST COMPANY?

A IT IS ONE OF THE COMPANIES FROM WHICH ONE RENTS LISTS OF NAMES TO USE IN THE DIRECT MAIL PROGRAM.

Q AND THE AMOUNT OF THAT CHECK?

A $9600.

Q AND THE ACCOUNT?

A THE REACH ACCOUNT.

Q 66? DATE?

A 3/24/82.

Q THE PAYEE?

A THE SAME AS THE PRECEDING ONE, AMERICAN MAILING

LIST COMPANY.

Q AMOUNT?

A $9700.

Q AND THE ACCOUNT?

A THE SAME.

Q 67? DATE?

A THE SAME DATE, 3/24/82.

Q AND THE PAYEE?

A AMERICAN MAILING LIST COMPANY.

Q THE AMOUNT?

A $6200.

Q AND THE ACCOUNT?

A THE REACH ACCOUNT, THE SAME ONE.

Q 68? DATE?

A SAME DATE, 3/24/82.

Q PAYEE?

A THE SAME AS THE ABOVE, AMERICAN MAILING LIST COMPANY.

Q THE AMOUNT?

A $9,500.

Q AND THE ACCOUNT?

A THE SAME, THE REACH ACCOUNT.

Q I'M GOING OFF TO THE RIGHT, I SEE.
HOW ABOUT 69?

A I END AT 68.

Q OH, YOU END AT 68.

BY THE WAY, CAN YOU JUST -- THAT WORD "REACH" THAT APPEARS IN THE ACCOUNT, DO YOU HAVE ANY UNDERSTANDING OF WHAT THAT MEANS?

A MR. HANSEN ADVISED ME THAT HE SET UP THAT ACCOUNT FOR VARIOUS KINDS OF OFFICE-RELATED EXPENSES PURSUANT TO A CHANGE IN THE HOUSE RULES EARLIER THAN MY ARRIVAL, AND I JUST CAN'T TESTIFY AS TO WHAT THOSE CHANGES WERE AND WHY HE SET IT UP.

Q BUT TO YOUR KNOWLEDGE, THOSE WERE FUNDS THAT WERE HIS PERSONAL FUNDS THAT WERE PUT INTO THOSE ACCOUNTS?

A OH, YES.

Q THOSE ARE ALL THE CHECKS YOU'VE GOT THERE, IS THAT RIGHT?

A YES, SIR.

Q DO YOU KNOW -- RATHER THAN GOING THROUGH THE -- PROVIDING YOU WITH A CALCULATOR AND HAVING YOU ADD IT UP, MIGHT I JUST REPRESENT TO THE COURT THAT WHAT THAT ADDS UP TO $134,498.35, AS OF MARCH 24, 1982.

TO YOUR RECOLLECTION, MR. MCKENNA, ARE THOSE CHECKS SUBSTANTIALLY WHAT IS REFLECTED ON EXHIBIT 46, WHICH IS AS OF APRIL 7TH, 1982, THE FACT THAT MR. HANSEN HAD PROVIDED $135,000 FOR THIS ASSOCIATION OF CONCERNED TAXPAYERS EFFORT?

A OH, IT'S THE SAME AMOUNT. MRS. JARMIN WAS, UNDOUBTEDLY, ROUNDING ALL THE FIGURES ON THERE. NONE OF THOSE FIGURES -- OR VERY FEW OF THEM WOULD ROUND OUT TO WHOLE

DOLLARS THE WAY THEY ARE THERE.

Q AND IN ADDITION TO THOSE, EXHIBIT 46, WHICH IS UP HERE AS 46-A, LISTS OTHER OBLIGATIONS WHICH WERE THEN OWING. METRO PRINTING WAS STILL OWED $65,000, ACCORDING TO J.M. WHAT'S J.M.?

A THAT'S THE OPERATOR OF MARTIN ADVERTISING AGENCY. JAMES MARTIN.

Q SO THAT'S THIS GENTLEMAN, THAT'S JIM MARTIN. THAT'S NOT YOU. YOU'VE GOT THE SAME INITIALS, JIM MCKENNA.

A I HADN'T REALIZED IT, BUT NO, THAT'S NOT ME. THAT'S THE OTHER GENTLEMAN.

Q ALL RIGHT. AND EACH ONE OF THESE WHERE SHE PUTS APPROXIMATE DEBT, SO ON AND SO FORTH, "J.M.", THAT'S WHAT JIM MARTIN TOLD HER IS APPROXIMATELY WHAT WAS OWING.

A HE WAS RECEIVING THE INVOICES, AND HE PROVIDED THE INFORMATION -- A GOOD DEAL OF IT.

Q AND HERE, WHERE IT SAYS A CERTAIN DEBT BEING OWED "GAJ", WHO IS "GAJ"?

A GARY A. JARMIN.

Q ALL RIGHT. TO YOUR KNOWLEDGE, MR. MCKENNA, DID CONGRESSMAN HANSEN PROVIDE OTHER FUNDS IN ADDITION TO THOSE THAT WE HAVE NOW LISTED ON EXHIBIT 87?

A DO YOU MEAN LATER THAN THAT?

Q YES.

A YES, SIR. AT ONE TIME, THE OUTSTANDING AMOUNT OF

MONEY THAT HE HAD PUT OUT EXCEEDED $170,000.

Q AND AS THE FUNDS CAME BACK -- OR, STRIKE THAT.

HOW WAS IT ANTICIPATED THAT THIS AMOUNT WAS GOING TO BE REPAID, IF AT ALL?

A THE OPTIMISTIC ANTICIPATION WAS THAT THE A.C.T. GENERAL MAILINGS AND UNSOLICITED DONATIONS WOULD EVENTUALLY REACH THE POINT OF PAYING ITSELF BACK, BEING SELF-SUSTAINING. AND AT THAT POINT, IT WAS EVERYBODY'S HOPE AND EXPECTATION THAT ALL THESE DEBTS, INCLUDING THE DEBT TO MR. HANSEN, WOULD BE THEN PAID.

Q O.K. AND WAS THAT COMMON IN THE DIRECT MAIL SOLICITATIONS? IS THAT THE USUAL FORMAT? WHAT YOU DO IS YOU LAY IT OUT AND THEN YOU EXPECT IT WILL COME BACK FROM THE CONTRIBUTIONS?

A IT IS THE USUAL EXPECTATION, AND IT USUALLY IS DISAPPOINTED.

Q WAS IT IN THIS CASE?

A VERY MUCH SO.

Q NOW, WE HAVE TAKEN YOU TO I GUESS THERE'S THAT MEMORANDUM OF APRIL, 1982, MR. MCKENNA. JUST GOING ONE MONTH BEYOND THAT, TO MAY OF 1982, YOU HAVE TESTIFIED, I BELIEVE, THAT MAY 15TH EVERY YEAR IS THE TIME WHEN THE ETHICS IN GOVERNMENT ACT FORMS WERE TO BE FILED. IS THAT CORRECT?

A YES, SIR. UNDER THE NEW LAW. IT WAS SLIGHTLY DIFFERENT UNDER THE RULE.

Q I'M SORRY. BEFORE I GET TO THAT, LET ME ASK YOU ONE MORE QUESTION ABOUT THE MAILING. BESIDES THE MAILINGS, IT IS A FACT -- OR TELL ME: DID A.C.T. PRINT UP OTHER MATERIALS FOR DISTRIBUTION TO THE PUBLIC AND TO THOSE WHO SENT IN INDICATING AN INTEREST IN --

A WE HAD A THING CALLED A.C.T. NEWS, WHICH WAS PUBLISHED A FEW TIMES WHEN FUNDS WERE AVAILABLE.

Q DEFENDANT'S EXHIBIT 47 FOR IDENTIFICATION.

A YES, SIR. THIS IS A SAMPLE OF THAT. IT WAS DISTRIBUTED IN VARIOUS WAYS, INSTITUTIONALLY WITHIN THE CONGRESS, TO PRIOR DONORS, TO PROSPECTIVE DONORS.

MR. LEWIN: I OFFER EXHIBIT 47 IN EVIDENCE.

MR. WEINGARTEN: MAY WE JUST APPROACH, PLEASE?

THE COURT: YES.

(AT THE BENCH)

THE COURT: MAY I SEE A COPY OF IT?

MR. LEWIN: YES.

THE COURT: THANK YOU. HERE'S THE BILL THAT WE HAD TALKED ABOUT.

MR. LEWIN: ALL RIGHT, YOUR HONOR. I DON'T MEAN --

THE COURT: NO, NO, I UNDERSTAND. I JUST WANTED TO SEE THE FIRST PAGE.

MR. LEWIN: IT'S JUST THE FIRST PAGE.

THE COURT: THE FIRST PART OF THE TAXPAYER PROTECTION BILL.

MR. LEWIN: RIGHT.

THE COURT: THAT'S ONE.

MR. LEWIN: THAT IS A NEWSLETTER.

THE COURT: AND A NEWLETTER OF SEVERAL PAGES.

MR. LEWIN: I'M JUST TRYING TO SHOW THAT THE ORGANIZATION --

THE COURT: I UNDERSTAND. IS THAT THE ACT ITSELF THAT IS IN HERE UNDER "CONGRESSIONAL RECORD"? IT IS CALLED "TAXPAYER PROTECTION ACT", AND I DON'T KNOW WHETHER --

MR. LEWIN: YOU'RE RIGHT. I GUESS IT IS IN THE CONGRESSIONAL RECORD. YOU KNOW, IF WE CAN STIPULATE THAT THEY SIMPLY SENT OUT THE A.C.T. NEWS, WE WILL NOT NECESSARILY OFFER IT IN EVIDENCE, IF WE CAN JUST DESCRIBE IT.

MR. WEINGARTEN: O.K. FINE. WHY DON'T WE DO IT THAT WAY.

MR. LEWIN: O.K. HE WILL JUST DESCRIBE IT. I WON'T OFFER IT IN EVIDENCE.

THE COURT: THERE WOULD BE TOO MUCH YOU'D HAVE TO DELETE FROM IT.

MR. LEWIN: FINE.

THE COURT: NO PROBLEMS IN HIM TESTIFYING THAT THERE WAS SUCH, TO SUBSTANTIATE YOUR THEORY.

MR. LEWIN: ALL RIGHT, FINE.

(IN OPEN COURT)

BY MR. LEWIN:

Q THIS A.C.T. NEWS THAT YOU HAVE DESCRIBED, MR. MCKENNA, DID THAT INFORM THE PEOPLE WHO WERE INTERESTED ABOUT THE EXISTENCE OF THE LEGISLATION THAT THE CONGRESSMAN HAD INTRODUCED, THE TAXPAYER PROTECTION ACT?

A YES, SIR. THERE IS A REPRODUCTION OF THE FIRST PAGE OF THE BILL ON THE COVER OF THE THING.

Q AND DID IT CONTAIN ARTICLES AND OTHER MATERIALS MAKING THE ARGUMENTS THAT THERE SHOULD BE SUCH LEGISLATION CURBING THE INTERNAL REVENUE SERVICE?

A YES, SIR. IT WAS DEFINITELY AN INDUCEMENT ITEM AND A STATUS REPORT COMBINED INTO ONE DOCUMENT.

Q AND LOOK AT THE BACK PAGE. WHAT DO YOU FIND ON THE BACK PAGE? IS THAT A FAMILIAR-LOOKING --

A IT IS A REPRODUCTION OF THE COVER OF THE SIMON AND SHUSTER EDITION OF MR. HANSEN'S BOOK.

Q AND THAT WAS THE BOOK THAT WAS BEING OFFERED AS A PREMIUM TO THOSE WHO WOULD PROVIDE A CERTAIN CONTRIBUTION; IS THAT CORRECT?

A I THINK SO. BUT AS I SAID YESTERDAY, I'M NOT CERTAIN THAT THAT WAS THE ENTIRE -- THAT THERE WEREN'T SOME OF THE OLDER BOOKS IN THE PREMIUM. BUT THIS WAS ALSO OFFERED.

Q ALL RIGHT. LET ME, THEN, PROCEED, AS I SAID, TO MAY OF 1982. YOU SAID THAT WAS THE PERIOD OF TIME -- MAY 15TH IS THE TIME WHEN ETHICS IN GOVERNMENT ACT FORMS ARE FILED. AND DIRECTING YOUR ATTENTION SPECIFICALLY TO MAY OF 1982, AT

THAT TIME THE A.C.T. MAILING EFFORT WAS IN FULL FORCE; IS THAT RIGHT? THE MAILINGS HAD GONE OUT IN MARCH?

A BY THAT TIME WE HAD ABOUT THAT 800,000 LETTERS OUT THAT I MENTIONED.

Q DID YOU AT ANY TIME IN MAY OF 1982 HAVE ANY DISCUSSION WITH CONGRESSMAN HANSEN ABOUT THE RELATIONSHIP BETWEEN A.C.T., THE ASSOCIATION OF CONCERNED TAXPAYERS, AND THE ETHICS IN GOVERNMENT ACT FORM WHICH HE WAS TO FILE ON MAY 15TH, 1982?

A WE HAD EXTENSIVE DISCUSSIONS ABOUT IT.

Q O.K. COULD YOU PLEASE DESCRIBE FOR THE COURT AND JURY WHAT DISCUSSIONS YOU HAD WITH CONGRESSMAN HANSEN.

A WELL, AT APPROXIMATELY THAT TIME, I BELIEVE IT WAS TWO DAYS BEFORE THE 15TH, HE FOR THE FIRST TIME ADVISED ME THAT THE FUNDS, OR SOME OF THE FUNDS WHICH HE HAD INVESTED IN A.C.T. HAD IN FACT BEEN BORROWED FROM INDIVIDUALS WITH THE ANTICIPATION THAT THEY WOULD BE USED IN THIS PROGRAM. AND THE ISSUE WAS ADDRESSED, WHAT DO YOU DO ABOUT IT ON THE LIABILITY PAGE -- ON THE LIABILITY ITEM OF THE DISCLOSURE FORM.

WE HAD EXTENSIVE DISCUSSIONS ABOUT, YOU KNOW, WHAT WAS THE COMMITMENT MADE AT THE TIME AND THAT SORT OF THING. AND HE ADVISED ME THAT HE HAD SOLICITED THIS OBLIGATION, AND QUITE FRANKLY, AT THE TIME I DON'T THINK I WAS AWARE -- IT'S DIFFICULT IN VIEW OF SUBSEQUENT EVENTS, BUT I DON'T THINK I

WAS AWARE THERE WAS EVEN A MULTIPLICITY. ALL I WAS AWARE OF WAS THAT THERE WAS AN INDIVIDUAL LENDER INVOLVED AND THAT THE MONEY HAD GONE INTO A.C.T.

IN VIEW OF THE PROMISE OF CONFIDENTIALITY, IN VIEW OF THE FACT THAT AT THAT TIME A.C.T. WAS ACKNOWLEDGING, AND AS FAR AS I KNOW STILL ACKNOWLEDGES, THE LIABILITY TO MR. HANSEN FOR THE FUNDS HE ADVANCED, I ADVISED HIM THAT IT WOULD BE PRUDENT TO LEAVE IT OFF THE FORM ON THE APPREHENSION THAT: ONE, WE HAD PROMISED CONFIDENTIALITY TO DONORS, OR TO FINANCIAL SUPPORTERS IN ANY ONE OF SEVERAL CATEGORIES, DONORS, WHATEVER; THAT A.C.T. HAD BY THAT TIME ACKNOWLEDGED ITS OBLIGATION; AND THAT IN FACT THE MONEY HAD BEEN SPENT AS HE HAD REPRESENTED TO THE LENDERS.

IN ADDITION, I BELIEVE IT'S IN THE NEXT SECTION, WE PUT HIS POSITION AS THE DOMINANT PERSON IN THE A.C.T. ORGANIZATION AND LEFT OFF THE THREE ITEMS ON MY ADVICE THAT IT WOULD NOT CONSTITUTE A PERSONAL OBLIGATION OF MR. HANSEN IN THE EXACT SENSE OF THE WORD.

Q I PLACE BEFORE YOU, MR. MCKENNA, WHAT IS IN EVIDENCE AS GOVERNMENT EXHIBIT 4-D, A COPY OF THE ETHICS IN GOVERNMENT ACT FORM FOR THE YEAR 1981, FILED ON MAY 15TH, 1982, AND SPECIFICALLY DIRECT YOUR ATTENTION TO THE SECOND PAGE. THERE IS A SECTION IV ON THERE THAT LISTS LIABILITIES. IS THAT CORRECT?

A YES, SIR.

Q AND UNDER IT IS A SECTION V THAT LISTS TRANSACTIONS?

A YES, SIR.

Q AND UNDER IT IS A SECTION VI THAT LISTS POSITIONS.

A YES, SIR.

Q THIS HAS BEEN INTRODUCED IN EVIDENCE AS GOVERNMENT EXHIBIT 5-D. IT IS A FACT, IS IT NOT, THAT ONLY THAT LIABILITIES SECTION APPEARS HERE ON THIS GOVERNMENT EXHIBIT? IS THAT RIGHT? BUT THERE'S MORE ON THAT PAGE THAN THAT LIABILITIES SECTION.

A WELL, THE HEADING AND SIGNATURE ALSO APPEAR.

Q BUT ON THE SPECIFIC PAGE THAT YOU'VE GOT, THAT IS THE SECOND PAGE. THE PAGE I PUT BEFORE YOU IS THE SECOND PAGE -- I'M SORRY. FROM THE SECOND PAGE, ALL THAT APPEARS ON THIS BLOW-UP IS LIABILITIES AND THE SIGNATURE LINE, RIGHT? AND WHAT APPEARS ABOVE THE SIGNATURE.

A WELL, ONE OF THE SIX ITEMS APPEARS: THE LIABILITIES SECTION.

Q RIGHT. IN FACT, ON THE PAGE THAT YOU HAVE BEFORE YOU, THERE ARE SECTIONS V AND VI UNDERNEATH SECTION IV; IS THAT CORRECT?

A YES, SIR.

Q AND SECTION --

A THERE'S ALSO SECTION VII.

Q AND SECTION VI SAYS "POSITIONS", AND IT SAYS WHAT UNDER "POSITIONS"?

A IT SAYS, "CHAIRMAN, ASSOCIATION OF CONCERNED TAXPAYERS", AS FAR AS THIS PARTICULAR FORM IS CONCERNED.

Q RIGHT. AND IS IT YOUR TESTIMONY THAT WAS IN THERE UNDER "POSITIONS" PURSUANT TO THE DISCUSSION THAT YOU HAD WITH CONGRESSMAN HANSEN?

A YES, SIR.

Q AND YOU TOLD HIM THAT -- WHAT, WITH REGARD TO THAT?

A I TOLD HIM THAT IT IS NOT UNCOMMON FOR ACTIVIST ORGANIZATIONS TO BORROW MONEY AND TO HAVE THE POLITICAL FIGURE WHO MIGHT BE THE DOMINANT PERSON IN THAT ACTIVIST ORGANIZATION SIGN IN HIS REPRESENTATIVE CAPACITY. IT WAS MY VIEW THAT GIVEN THE EVIDENCE AS IT EXISTED ON MAY 15TH, THAT WHAT WE HAD HERE WAS IN THE NATURE OF AN ANTICIPATORY REPRESENTATIVE SITUATION.

THE EVIDENCE I HAD IN FRONT OF ME AT THE TIME WAS THAT -- AND IT'S STILL THE EVIDENCE, AS FAR AS I KNOW -- WAS THAT ON OR BEFORE DECEMBER 31ST HE HAD ACQUIRED FUNDS WITH THE REPRESENTATION THAT THEY WOULD BE USED BY AND FOR AN ORGANIZATION TO DO WHAT A.C.T. ULTIMATELY CAME INTO EXISTENCE TO DO. IN FACT, AT THAT TIME I DIDN'T KNOW WHETHER THE LOANS PRECEDED OR SUCCEEDED THE INCORPORATION OF THE GROUP.

Q YOU DIDN'T KNOW THE SPECIFIC DATE OF THE LOANS.

A I DID NOT.

Q BUT HE TOLD YOU THEY WERE SOMETIME IN 1981?

A YES, SIR.

Q AND DID HE TELL YOU THAT HE HAD SIGNED FOR THEM PERSONALLY?

A OH, YES.

Q ALL RIGHT.

A AND HE ALLEGED TO ME THAT THE LENDERS SPECIFICALLY UNDERSTOOD THAT THESE THINGS WOULD BE -- THAT THESE LOANS WOULD BE USED FOR THIS GENERAL PURPOSE, AND THAT HE TOOK THE MONEY ON MAKING THAT REPRESENTATION AND USED IT FOR THAT PURPOSE.

ALSO IN MY POSSESSION AT THAT TIME WAS THE MATERIAL THAT YOU HAVE ELICITED HERE, NAMELY THE UNQUESTIONED FACT THAT HE HAD SPENT CONSIDERABLY IN EXCESS OF WHAT AT THE TIME, TO BE FRANK, I UNDERSTOOD TO BE $125,000. I DON'T KNOW WHY. IT IS NOW CLEAR THAT IT WAS A DIFFERENT AMOUNT OF MONEY. BUT AT THAT TIME, I TOTALED UP THE OBLIGATION -- I DIDN'T TOTAL IT UP. I GOT THE IMPRESSION FROM MR. HANSEN THAT THE AMOUNT OF MONEY INVOLVED WAS $125,000; AND HE CLEARLY EXCEEDED THAT IN THE DONATIONS TO A.C.T., IN THE CONTRIBUTIONS BY WAY OF FINANCING A.C.T., AND A.C.T. HAD ACKNOWLEDGED ITS OBLIGATION TO HIM.

Q NOW, WHAT HAD YOU UNDERSTOOD FROM YOUR DISCUSSION WITH CONGRESSMAN HANSEN ABOUT WHAT HAD HAPPENED TO THE FUNDS BETWEEN THE TIME HE BORROWED IT IN 1981 AND THE TIME HE HAD WRITTEN OUT THE CHECKS THAT ARE REFLECTED ON DEFENDANT'S EXHIBIT 84? WHAT USE HAD BEEN MADE OF THOSE FUNDS?

A QUITE FRANKLY, THAT NEVER ENTERED INTO THE CONVERSATION BECAUSE MY CONCERN WAS THAT THEY WERE IN 1981, AND NOT WHEN IN 1981. AND PERHAPS THAT WAS IMPROVIDENT ON MY PART, IN VIEW OF SUBSEQUENT EVENTS, BUT I WAS NOT AWARE AT THE TIME OF THE DATE ON WHICH THESE TRANSACTIONS TOOK PLACE. AS FAR AS I WAS CONCERNED, THEY TOOK PLACE IN THE APPROPRIATE TIME PERIOD.

Q APART FROM THE DATE, THOUGH, WAS IT RELEVANT IN ANY WAY TO YOUR JUDGMENT THAT YOU CONVEYED TO CONGRESSMAN HANSEN WHETHER THE FUNDS HAD SIMPLY SAT IN A BANK ACCOUNT DURING THAT PERIOD OF TIME OR WHETHER THEY HAD BEEN USED IN THE INTERIM BY HIM FOR OTHER PURPOSES? IN OTHER WORDS, WERE YOU ASSUMING THAT THE ACCOUNTS -- THAT THE AMOUNTS THAT HE HAD BORROWED HAD SIMPLY BEEN SITTING IN THE JOINT ACCOUNT IN POCATELLO OR IN THE HANSEN REACH ACCOUNT AT RIGGS DURING THAT ENTIRE PERIOD OF TIME?

A I DON'T THINK IT'S RELEVANT. I DIDN'T THINK IT WAS RELEVANT THEN.

THE COURT: NO. SORRY. ARE YOU SAYING YOU DIDN'T THINK ABOUT IT?

THE WITNESS: OH, NO. THE QUESTION IS -- AS I UNDERSTAND COUNSEL, YOUR HONOR, THE QUESTION IS WHAT DID I TAKE INTO CONSIDERATION: THE FACTOR OF WHETHER OR NOT THE FUNDS WERE THE IDENTICAL FUNDS THAT WERE LENT OR WERE NOT. AND I GUESS THE ANSWER TO THE SPECIFIC QUESTION IS THAT I DIDN'T

CONSIDER IT, BECAUSE HAD I, I WOULD THINK IT WAS AN IRRELEVANCY.

BY MR. LEWIN:

Q WHY WOULD IT BE AN IRRELEVANCY?

A BECAUSE THE MONEY THAT WAS BORROWED IS IDENTICAL OR GREATER THAN -- OR, I'M SORRY, THE MONEY THAT WAS BORROWED IS IDENTICAL OR LESS THAN THE MONEY THAT HE PUT INTO THE ORGANIZATION. I AM NOT AN ACCOUNTANT, BUT THERE IS A CASH FLOW IN EVERYONE'S LIFE. THE ABILITY TO IDENTIFY A PARTICULAR DOLLAR BILL DOES NOT STRIKE ME AS RELEVANT TO THE QUESTION.

Q ALL RIGHT. THE ALTERNATIVE, AS YOU HAVE TESTIFIED, MR. MCKENNA, THAT WAS QUESTIONED WAS WHETHER THE PARTICULAR LENDERS SHOULD BE LISTED UNDER SECTION IV AS TO LIABILITIES. IS THAT RIGHT? THAT WAS THE QUESTION THAT WAS DIRECTED TO YOU?

A IT WAS THE SOLE QUESTION, SO FAR AS I KNOW.

Q ALL RIGHT. AND IF THEY HAD BEEN LISTED, THEIR NAMES WOULD HAVE APPEARED ON THERE WITH A LETTER NEXT TO THEM; IS THAT CORRECT? THEIR NAME OR NAMES. YOU SAID YOU DIDN'T KNOW WHETHER THEY WERE SINGLE OR MULTIPLE LENDERS.

A WITH THAT LIMITATION, THAT I DIDN'T KNOW THE IDENTITY OF THE PARTY OR PARTIES, YES, THAT WOULD BE THE CONCLUSION.

Q AND IT IS YOUR TESTIMONY THAT YOU ALSO CONSIDERED THE FACT THAT BY LISTING THEM, YOU WOULD BE VIOLATING THE CONFIDENTIALITY PROMISE THAT HAD BEEN MADE TO DONORS OF A.C.T.

A IT WAS A DOMINANT CONSIDERATION IN THE MATTER.

Q WERE YOU THERE OR PRESENT WHEN CONGRESSMAN HANSEN ACTUALLY FILLED OUT THAT FORM?

A I DON'T REMEMBER. I WAS THERE ON THREE OR UP TO FOUR OCCASIONS. PROBABLY, YES.

Q WAS THIS DISCUSSION THAT TOOK PLACE IN 1982--OTHER THAN THE FACT THAT THERE WAS A PARTICULAR MATTER RELATING TO 1982 INVOLVED, WAS IT DIFFERENT IN KIND FROM SIMILAR DISCUSSIONS YOU PREVIOUSLY TESTIFIED THAT TOOK PLACE IN 1981, IN 1980, WITH REGARD TO THE ETHICS IN GOVERNMENT ACT FORM?

A WELL, IT WAS A PROBLEM CONNECTED WITH FILING. IT WAS IN THAT SENSE NOT DIFFERENT FROM THE PROBLEMS I TESTIFIED TO YESTERDAY. I GUESS EVEN THE AMOUNT OF MONEY ISN'T MUCH DIFFERENT. THE HOUSE THING WAS, UNDOUBTEDLY, OF A SIMILAR SIZE OF FINANCE. THAT IS, WE WOULD BE TALKING ABOUT A $125,000 OBLIGATION ONE WAY OR ANOTHER.

Q BUT IT'S FAIR TO SAY THAT IT WAS ALMOST AN ANNUAL PRACTICE THAT AROUND THE TIME OF MAY 15TH, 1982, CONGRESSMAN HANSEN WOULD DISCUSS WITH YOU ANY ISSUE THAT WOULD COME UP IN HIS MIND CONCERNING THE ETHICS IN GOVERNMENT ACT.

A OUR PERCEPTION WAS IF HE HAD A PROBLEM, HE WOULD CALL ON ME AND ASK ME ABOUT IT.

Q AND THAT HAPPENED BEFORE 1982, AS WELL AS IN 1982?

A AT LEAST ON TWO OCCASIONS UNDER THE LAW, AND ON ONE OCCASION UNDER THE RULE.

Q O.K. NOW, FOLLOWING THE MAY 15TH, 1982 -- I'M SORRY.

YOU TESTIFIED THAT YOU DID NOT KNOW THE NAME OF THE LENDERS AS OF THAT TIME. THAT WAS NOT DISCUSSED.

A TO THE BEST OF MY RECOLLECTION, I DID NOT.

Q DID THERE COME A TIME AFTER THE FILING OF THE ETHICS IN GOVERNMENT ACT, INDEED SHORTLY AFTER THE FILING OF THE ETHICS IN GOVERNMENT ACT, THAT YOU HAD OCCASION TO CALL ANY OFFICER OF THE MERCHANTS AND MINERS BANK IN VIRGINIA?

A YES, SIR. MR. HANSEN BROUGHT TO MY ATTENTION A CERTIFIED LETTER THAT HE HAD RECEIVED AT HOME SOMETIME ABOUT A WEEK AFTER THE FILING DATE. SOMETIME IN LATE MAY.

Q ALL RIGHT.

A THE LETTER WAS FROM MR. REASOR, WHO LISTED HIMSELF AS THE MANAGER. IN LATER CONVERSATION WITH HIM, IT TURNED OUT HE WAS THE ACTING PRESIDENT OF THE BANK.

Q O.K. LET ME PUT BEFORE YOU WHAT IS IN EVIDENCE AS DEFENDANT'S EXHIBIT 23.

A YES, SIR.

Q WOULD YOU TELL US WHAT DEFENDANT'S EXHIBIT 23 IS, TO YOUR RECOLLECTION.

A IT IS THE LETTER FROM THIS GENTLEMAN, MR. REASOR, TO MR. HANSEN AT HIS HOME ADDRESS, CERTIFIED IN FORM, RETURN RECEIPT -- NO, I'M WRONG. IT'S DATED MAY 18TH. THE STAMP IS DATED MAY 18TH, AND THE LETTER IS DATED MAY 17TH.

Q THE LETTER IS DATED MAY 17TH, WHICH IS TWO DAYS AFTER THE FILING OF THAT ETHICS IN GOVERNMENT ACT FORM. IS

THAT CORRECT?

A YES, SIR.

Q AND IT'S POSTMARKED MAY 18TH. IS THERE ANY INDICATION ON THE ENVELOPE AS TO WHEN IT WAS RECEIVED? IT WAS A CERTIFIED LETTER, IS THAT CORRECT?

A YES. THE CLAIM CHECK DATE IS MAY 20TH.

Q SO, LOOKING AT THAT, CAN YOU RECONSTRUCT ABOUT WHEN YOU FIRST RECEIVED THAT LETTER FROM CONGRESSMAN HANSEN?

A NOT EARLIER THAN MAY 21ST, 1982.

Q ALL RIGHT. COULD YOU TELL US, MR. MCKENNA, WHAT CONVERSATION, TO THE BEST OF YOUR RECOLLECTION, ENSUED UPON YOUR RECEIVING THAT LETTER FROM CONGRESSMAN HANSEN?

A WITH CONGRESSMAN HANSEN, OR WITH MR. REASOR?

Q WITH CONGRESSMAN HANSEN.

A HE SHOWED IT TO ME, AND HE SAID THAT HE WAS SURPRISED TO SEE THAT THIS WAS A PROBLEM OR THAT THERE WAS A PROBLEM HERE INVOLVING THIS SORT OF SITUATION. HE DIDN'T KNOW WHY HE WOULD BE ON SUCH A LIST, AND ASKED ME TO INQUIRE OF MR. REASOR.

Q O.K. LET ME JUST --

MR. LEWIN: IT'S A VERY SHORT LETTER, YOUR HONOR. JUST SO IT IS UNDERSTANDABLE TO THE JURY, IT'S A LETTER THAT SAYS:

"ON MAY 6, 1982" -- ADDRESSED TO GEORGE V. HANSEN IN ARLINGTON, VIRGINIA. "ON MAY 6, 1982, MINERS AND MERCHANTS

BANK WAS SERVED WITH A SUBPOENA TO TESTIFY OR PRESENT CERTAIN DOCUMENTS BEFORE THE GRAND JURY ON JUNE 8TH, 1982. YOUR NAME WAS LISTED AS ONE OF THE INDIVIDUALS OR ENTITIES TO BE COVERED. THE BANK IS REQUIRED TO PRESENT ANY AND ALL LOAN RECORDS AND A LISTING OF ANY ACCOUNTS FOR THE PERIOD JANUARY 1, 1980, TO MAY 1, 1982, THAT YOU MAY HAVE HAD WITH MINERS AND MERCHANTS BANK. IF YOU HAVE ANY QUESTIONS REGARDING THIS SUBPOENA, YOU SHOULD CONTACT YOUR ATTORNEY AND/OR THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF VIRGINIA BEFORE JUNE 8, 1982. UNLESS WE HEAR FROM YOU PRIOR TO THIS DATE, YOUR RECORDS WILL BE DELIVERED TO THE GRAND JURY." SIGNED, JACKSON REASOR.

BY MR. LEWIN:

Q SO THAT WAS A LETTER WHICH ADVISED CONGRESSMAN HANSEN THAT SOME DOCUMENTS PERTAINING TO HIM WERE BEING SUBMITTED TO A FEDERAL GRAND JURY; IS THAT CORRECT?

A OBVIOUSLY, YES, SIR.

Q IT DIDN'T SPECIFY THE NAME OF ANY INDIVIDUAL WHO WAS BEING TARGETED BY THE GRAND JURY?

A NO, SIR.

Q O.K. WHAT DID YOU DO AFTER THE DISCUSSION WITH CONGRESSMAN HANSEN?

A I IMMEDIATELY CALLED THIS MR. REASOR AT THE BANK IN GRUNDY, VIRGINIA.

Q AND WHAT WERE YOU TOLD BY MR. REASOR?

A HE TOLD ME THAT THE FEDERAL GRAND JURY WAS -- IN ROANOKE, I BELIEVE, WAS LOOKING INTO THE AFFAIRS OF A FORMER CHIEF OFFICER OF THE BANK NAMED MEADE, AND THAT MR. HANSEN'S -- A NOTE FROM MR. HANSEN WAS IN THEIR ACCOUNT AS COLLATERAL FOR A LOAN, AND THAT IT WAS SPECIFICALLY SUBJECT TO THE SUBPOENA. AND THIS WAS THE FORMAL NOTICE TO ALLOW MR. HANSEN TO TAKE WHATEVER APPROPRIATE ACTION HE CHOSE TO TAKE WITH REGARD TO THE SUBPOENA.

Q DID YOU COMMUNICATE THAT INFORMATION TO CONGRESSMAN HANSEN?

A YES, SIR.

Q IN THE CONVERSATION WITH CONGRESSMAN HANSEN, DID HE INDICATE HE -- WELL, WHAT DID HE SAY? STRIKE THAT.

A WELL, HE WAS SHOCKED AND SURPRISED THAT MR. MEADE WAS INVOLVED IN ANY PROBLEM. AND I DON'T KNOW THAT THERE WAS MUCH OF A CONVERSATION. HE MERELY ASKED ME TO GO DOWN IMMEDIATELY AND LOOK INTO THE SITUATION, TAKE A LOOK AT WHATEVER IT WAS THAT WAS THERE, AND REPORT TO HIM.

Q WAS THERE ANY INDICATION THAT HE EVEN REALIZED THAT HIS NOTES HAD BEEN COLLATERALIZED TO THAT BANK?

A I DON'T THINK AT THAT TIME THERE WAS, NO. NOT PRIOR TO MY VISIT.

Q AND WAS THERE ANY INDICATION THAT HE KNEW AT ANY TIME PRIOR TO YOUR ADVISING HIM THAT MR. MEADE WAS IN TROUBLE IN ANY WAY?

A NO. THAT'S CLEAR. HE DIDN'T KNOW ABOUT IT.

Q DID YOU IN FACT GO DOWN TO GRUNDY, VIRGINIA, TO THE BANK?

A YES, SIR. I WENT DOWN A FEW DAYS LATER. AND I CAN'T HONESTLY TELL YOU -- WITHIN A WEEK. CERTAINLY PRIOR TO THE TRIGGER DATE MENTIONED IN THE LETTER HERE, JUNE 8TH.

Q AND WHAT WAS THE PURPOSE OF THAT VISIT THAT YOU MADE DOWN THERE?

A SPECIFICALLY, TO FIND OUT WHAT IT WAS THAT WAS GOING TO BE DELIVERED TO THE GRAND JURY AND WHAT IT WAS THAT WAS THE PROBLEM WITH MR. MEADE, TO GET GENERAL INFORMATION ON THE INVOLVEMENT HERE OF THE CONGRESSMAN'S NAME.

Q DID YOU GO DOWN IN ANY WAY WITH ANY INSTRUCTIONS TO PAY OFF ANY NOTE AT THAT TIME?

A NOT AT THAT TIME, NO, SIR.

Q THERE WAS ANOTHER TRIP YOU MADE SOMETIME LATER IN WHICH YOU DID GO DOWN THERE TO PAY OFF A NOTE.

A OH, YES. YES, SIR.

Q AND COULD YOU TELL US HOW THAT HAPPENED AND WHEN THAT HAPPENED?

A MID-AUGUST, MORE THAN TWO MONTHS AFTER THE FIRST TRIP, THE CONGRESSMAN ASKED ME TO GO DOWN AND DISPOSE OF HIS OBLIGATION ON A $60,000 NOTE WHICH WAS IN THE POSSESSION OF THE MERCHANTS AND MINERS BANK AS COLLATERAL. HE WAS DISPOSING OF IT AT THE REQUEST OF MR. MCAFEE, AS I REMEMBER HIS ADVICE

TO ME. AND I DID DISPOSE OF IT. HE GAVE ME TWO CHECKS, BLANK AS TO AMOUNT, AND ASKED ME TO DIVIDE THE PAYMENT BETWEEN TWO DIFFERENT CHECKS. AND I DID SO. AND THE TOTAL, SIXTY-FOUR THOUSAND AND CHANGE, CONSISTING OF 30,000 IN ONE INSTRUMENT AND 34,000-PLUS. THE REASON THEY WERE BLANK AS TO AMOUNT, WE DIDN'T KNOW WHAT THE INTEREST COMPUTATION WAS BEFORE WE WENT -- BEFORE I WENT.

Q AND THAT PAYMENT WAS MADE BECAUSE MR. MCAFEE REQUESTED AT THAT POINT THAT IT BE MADE?

A YES, SIR.

Q AND DID YOU IN GOING DOWN TO MAKE THAT PAYMENT AT THAT POINT LEARN THAT CONGRESSMAN HANSEN HAD PAID AN INTEREST PAYMENT EARLIER ON THAT NOTE?

A YES, SIR.

Q SO THAT HE HAD KNOWN PRIOR TO MAY THAT THE BANK HELD THE NOTE --

A I THINK THE PAYMENT WAS IN APRIL, SO I DREW THE CONCLUSION HE HAD TO KNOW IT WAS THERE.

Q BUT WITH REGARD TO WHETHER HE HAD KNOWN AT ALL WHETHER MR. MEADE WAS IN TROUBLE, WHAT WAS THE INDICATION ON MAY AND THEREAFTER? HAD HE HAD ANY KNOWLEDGE PRIOR TO MAY 15TH, 1982?

A TO THE BEST OF MY KNOWLEDGE, NO. HIS RESPONSE TO THE INFORMATION I EXTRACTED FROM MR. REASOR WAS ONE OF SURPRISE AND SOME SHOCK. HE FELT MR. MEADE WAS A FRIEND.

Q NOW, THAT LOAN, THE $60,000 LOAN WAS REPAID WITH PERSONAL CHECKS OF MR. AND MRS. HANSEN OUT OF A JOINT ACCOUNT OR -- DO YOU RECALL?

A I DON'T REMEMBER WHETHER IT WAS A JOINT ACCOUNT OR NOT. I THINK IT WAS A SINGLE-SIGNATURE ACCOUNT.

Q O.K.

A OR SINGLE SIGNATURE ACCOUNTS. THERE WERE TWO, I THINK.

Q IT WAS NOT PAID OUT OF AN A.C.T. ACCOUNT, WAS IT?

A OH, NO.

Q AND WHY WAS THAT?

A BECAUSE MR. HANSEN HAD SIGNED THE NOTE. HE FELT IT WAS -- SINCE A.C.T. WAS NOT IN A POSITION TO DISPOSE OF IT, HE HAD AN OBLIGATION TO DISPOSE OF IT, AND HE DISPOSED OF IT.

Q DID A.C.T. AT THAT POINT HAVE $60,000 TO PAY A NOTE?

A IT PROBABLY DIDN'T HAVE 10 PERCENT OF $60,000.

Q HAD A.C.T. BY THAT TIME PAID -- REPAID CONGRESSMAN HANSEN SOME -- AT VARIOUS TIMES SOME PORTIONS OF THE ADVANCES HE HAD MADE?

A RELATIVELY SMALL PORTIONS, YES, SIR.

Q DID YOU ON SUBSEQUENT DATES, MR. MCKENNA, ALSO IN REPRESENTING CONGRESSMAN HANSEN IN THIS REGARD, REPAY THE $25,000 NOTE?

A ULTIMATELY, YES. ALTHOUGH IN THE REPAYMENT WE

ULTIMATELY UTILIZED THE SERVICES OF THE FIRM OF HEMSLEY AND CAMPBELL.

Q BY CAMPBELL, YOU MEAN MR. FRANK CAMPBELL, WHO IS COUNSEL --

A THE FIRM OF WHICH MR. CAMPBELL, THERE, WAS A PARTNER.

Q SO HE WAS INVOLVED IN THE FINAL NEGOTIATIONS -- OR THE FINAL DISCUSSIONS WHICH RESULTED IN THE PAYMENT OF THAT NOTE.

A YES, SIR.

Q AND WHY WAS IT NECESSSARY TO HAVE ANOTHER LAWYER, AN OUTSIDE LAWYER INVOLVED IN THAT PAYMENT?

A WELL, THE THING GOT COMPLICATED BECAUSE A SUIT WAS FILED AGAINST MR. HANSEN BY JOINTLY -- THE DELIVERY OF THE DOCUMENT -- THE COMPLAINT READ CARL MCAFEE AND ODELL ROGERS, THE OBLIGEES ON THE NOTE, THE PAYEES OF THE INSTRUMENT, AGAINST HANSEN FOR THE COLLECTION OF THE $25,000.

I CALLED MR. MCAFEE AND REMONSTRATED WITH HIM THAT HE HAD IN FACT REPRESENTED THAT THERE WAS SOME LATITUDE IN THE REIMBURSEMENT OF THAT AMOUNT OF MONEY; AND THAT EVEN IF THERE WERE NOT SOME LATITUDE, A SUIT IN COURT WAS NOT KINDLY RECEIVED WHEN A CONGRESSMAN WAS INVOLVED. AND HE AGREED TO MEET ME, AND DID IN FACT MEET ME IN FAIRFAX COUNTY AT SOME OFFICE WHERE HE WAS -- HAD SPACE WHILE HE WAS TRYING A CASE IN WASHINGTON, AND DENIED TO ME THAT HE HAD IN FACT AUTHORIZED THE SUIT, AND SAID HE WOULD DO WHAT HE COULD TO AMELIORATE

THE SITUATION, MAKE IT PALATABLE.

Q BUT IT WAS NECESSARY FOR THE CONGRESSMAN TO RETAIN AN ATTORNEY BECAUSE THERE WAS A COURT SUIT FILED, IS THAT CORRECT? A LITIGATION WAS FILED ON THAT NOTE.

A YES, SIR. AND THAT COMPLICATION OF WAS THE SUIT AUTHORIZED OR WAS IT NOT AUTHORIZED HAD CREATED A COMPLICATION WITH THE PLAINTIFF'S ATTORNEY, TO WHOM I REPORTED THE CONVERSATION. HE BECAME UPSET THAT ANYBODY WOULD REPRESENT TO HIM THAT HE HAD AUTHORITY TO FILE A SUIT. AND THE MATTER BECAME OF SUFFICIENT COMPLEXITY THAT I HAD OTHER THINGS TO DO AND I ASKED THE HEMSLEY AND CAMPBELL FIRM TO ASSIST IN DISPOSING OF THE MATTER.

Q WAS THAT NOTE ULTIMATELY PAID WITH FULL INTEREST AT THAT TIME?

A OH, YES. WELL, "AT THAT TIME". WITHIN A PERIOD OF APPARENTLY I GUESS EIGHT OR TEN DAYS THEREAFTER. THE BONE OF CONTENTION, THE THING THAT IRRITATED ME ABOUT IT WAS THAT I HAD ALREADY BEEN IN NEGOTIATION WITH THE FELLOW REASOR TO DISPOSE OF THE OBLIGATION. MR. REASOR HAD PUT PRESSURE ON MR. MCAFEE TO PAY THE NOTE, AND HE HAD DISCUSSED THAT WITH ME, AND I HAD CALLED REASOR, AND THE ONLY QUESTION WAS THE PHYSICAL ABILITY TO GET TO THIS PLACE, GRUNDY. IT'S THE SORT OF PLACE THAT YOU CAN'T GET THERE FROM HERE. AND WE WERE TRYING TO MAKE ALL SORTS OF ARRANGEMENTS ABOUT WE WOULD MEET AT THE BRISTOL AIRPORT, WHICH IS THE CLOSEST

AIRPORT, AND THAT'S THREE HOURS AWAY FROM GRUNDY. THAT SORT OF THING. AND WHEN WE RECEIVED THE SUIT, I WAS SOMEWHAT IRRITATED.

THE COURT: I'M SORRY. WHO IS "WE"?

THE WITNESS: WELL, I'M SORRY. WHEN THE SUIT CAME INTO THE OFFICE. WE GET KIND OF COLLEGIAL IN THESE CIRCUMSTANCES. I APOLOGIZE.

BY MR. LEWIN:

Q NOW, MR. MCKENNA, WAS THE $50,000 NOTE TO JOHN MEADE PAID BY YOU? I MEAN THROUGH YOUR OFFICES?

A WELL, IT WAS PAID BY MR. HANSEN.

Q I DON'T MEAN BY YOU.

A YES. I WAS INVOLVED IN THE NEGOTIATIONS.

Q YOU WERE INVOLVED IN THE NEGOTIATIONS AND PAYMENT OF THAT AMOUNT. AND COULD YOU TELL US HOW THAT CAME ABOUT?

A YES, SIR. I RECEIVED A TELEPHONE CALL FROM MR. BOWIE, B-O-W-I-E, WHO REPRESENTED, AND PROBABLY STILL REPRESENTS MR. MEADE, DEMANDING PAYMENT OF THE $50,000 NOTE WITH INTEREST. I TOLD HIM THAT I WOULD SPEAK TO THE CONGRESSMAN AND GET BACK TO HIM. I DID, AND ADVISED HIM THAT THE CONGRESSMAN WAS NOT IN A POSITION TO DISPOSE OF THIS THING ON A ONE-PAYMENT BASIS. I OFFERED A 13-MONTH PAYMENT OF 5,000 A MONTH TO DISPOSE OF THE ITEM --

MR. LEWIN: I'M SORRY. WE CAN JUST REMOVE THAT RIGHT NOW. IT'S NOT REALLY NECESSARY.

THE COURT: WHILE YOU ARE DOING THAT, COULD YOU WAIT A MOMENT WHILE WE CHANGE REPORTERS? YOU MAY PROCEED.

THE WITNESS: MR. BOWIE DECLINED MY OFFER. WELL, THAT IS NOT TRUE. HE SAID HE WOULD HAVE TO CONSULT HIS CLIENT.

HE CALLED ME BACK IN A FEW HOURS, AND ADVISED THAT HIS CLIENT WAS ADAMANT FOR IMMEDIATE FULL PAYMENT. WE ADVISED HIM WE WERE UNABLE TO ACCOMPLISH THAT. WE JUST DIDN'T HAVE THE FUNDS AVAILABLE AT THAT TIME AND WE HAD NO OPTION BUT TO HAVE HIM SUE.

I POINTED OUT TO MR. BOWIE THAT THAT WOULD DELAY THE PAYMENT, THE NATURAL COURSE OF SUITS, FOR THE 13 MONTHS, I DIDN'T SEE WHY THE CLIENT WAS SO ADAMANT, BUT I HAD NO CONTROL OVER THAT.

AT THAT POINT, I TURNED THE MATTER OVER TO -- WELL, I AM NOT SURE -- I EITHER TURNED IT OVER THEN, OR SUBSEQUENTLY TO THE SAME PEOPLE, HEMSLEY AND CAMPBELL, FOR THE PURPOSE OF NEGOTIATING SETTLEMENT.

ULTIMATELY, THE NOTE WAS PAID WITH FULL INTEREST TO THE DATE OF SETTLEMENT, AND THE MATTER WAS CLOSED.

BY MR. LEWIN:

Q. WAS THERE A LAWSUIT BROUGHT PRIOR TO THE TIME THE NOTE WAS PAID?

A. YES, SIR.

Q. O. K. THERE WAS A LAWSUIT THAT WAS INSTITUTED IN VIRGINIA, WAS THERE NOT?

A. YES, SIR. FORGIVE ME IF I DIDN'T GET MAKE THAT CLEAR. WHEN I SAID AT THAT TIME I MEANT IMMEDIATELY SUBSEQUENT TO MR. BOWIE'S CONVERSATION OR AT THE FILING OF THE LAWSUIT. I DIDN'T REMEMBER WHICH TIME I HAD TURNED IT OVER TO THE ATTORNEY.

Q. SO, THERE WAS A LAWSUIT FILED, AND A SETTLEMENT FOLLOWED THE FILING OF THE LAWSUIT?

A. BY A CONSIDERABLE PERIOD OF TIME, YES. SIR.

Q. BUT THE PAYMENT WAS MADE IN FULL, WITH INTEREST TO THE DATE OF PAYMENT?

A. YES, SIR.

Q. ALL RIGHT. NOW, HOW ABOUT THE LOAN OR THE OBLIGATION THAT MRS. HANSEN HAD IN THE NOTE TO BUNKER HUNT? WAS THERE ANY DISCUSSION WITH MRS. HANSEN OR CONGRESSMAN HANSEN ABOUT PAYING THAT NOTE?

A. YES, INDEED.

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

THE COURT: YES. WOULD YOU STEP DOWN, MR. MCKENNA?

AT THE BENCH:

THE COURT. ALL RIGHT.

MR. WEINGARTEN: THERE HAS BEEN AN ENORMOUS AMOUNT OF HEARSAY. I WAS NOT OBJECTING BUT I AM OBJECTING NOW. MRS. HANSEN HAS TESTIFIED ALREADY AND THIS IS A SENSITIVE POINT. IF THIS IS GOING TO BE HEARSAY, I OBJECT. HE CAN TESTIFY AS TO WHAT HE DID VIS-A-VIS THE LOAN AND NOTHING MORE.

THE COURT: ALL RIGHT, MR. LEWIN?

MR. LEWIN: IN TERMS OF THE INTENTION TO MAKE PAYMENT, I SUBMIT THAT ANY STATEMENTS THAT WERE MADE TO HIM BY ANYBODY WHICH DECLARED AN INTENTION TO MAKE PAYMENT ARE ADMISSIBLE UNDER THE DECLARATION OF INTENTION EXCEPTION TO THE HEARSAY RULE, AND HE CAN TESTIFY IF SOMEONE SAID TO HIM, OR CONGRESSMAN HANSEN SAID TO HIM I INTEND TO PAY, THEN THAT IS AN ADMISSIBLE EXCEPTION UNDER THE HEARSAY ROOM.

IT IS NOT A DECLARATION OF SOMETHING IN THE PAST. IT IS A DECLARATION OF AN INTENTION TO IN THE FUTURE. IT IS A SPECIFIC INTENTION IF YOU WANT ME TO LIMIT MY QUESTION AND SAY PLEASE TELL ME ONLY WHAT WAS SAID WITH REGARD TO ANY DECLARATION WITH INTENTION TO DO IN THE FUTURE.

MR. WEINGARTEN: THAT IS FINE.

THE COURT: YOU SHOULD BE ABLE TO KEEP IT TO THAT.

IN OPEN COURT:

THE COURT. I KNOW YOU WILL LISTEN VERY CAREFULLY TO THE QUESTION ADDRESSED TO YOU, MR. MCKENNA, AND ANSWER IT ACCORDINGLY.

THE WITNESS: YES.

BY MR. LEWIN:

Q. IN ANSWER MY QUESTION, I WANT YOU TO LIMIT STATEMENTS THAT ARE MADE TO YOU ONLY TO ANY STATEMENTS BY CONGRESSMAN AND MRS. HANSEN IN WHICH THEY DECLARE AN INTENTION TO DO OR NOT DO SOMETHING IN THE FUTURE. DON'T TELL ME ANYTHING THAT THEY MAY HAVE SAID ABOUT THE PAST, BUT ONLY IF THEY MADE STATEMENTS TO

YOU AS TO WHAT THEY INTENDED TO DO IN THE FUTURE.

IN DISCUSSIONS WITH CONGRESSMAN AND MRS. HANSEN CONCERNING -- WELL MAYBE THAT IS NOT CLEAR, YOU ARE SHAKING YOUR HEAD?

A. I AM NOT CERTAIN AS TO THE PROSCRIPTION THAT YOU JUST DESCRIBED.

THE COURT: IT WILL BE STATED AGAIN.

BY MR. LEWIN:

Q. FOR PURPOSES OF ADMISSIBILITY OF EVIDENCE?

A. I UNDERSTAND THERE IS A PROBLEM. I AM NOT SURE WHAT YOU ARE ALLOWING ME TO TESTIFY ABOUT.

Q. JUST SAY TO ME, WHEN YOU REPEAT IN ANSWER TO MY QUESTION ONLY THINGS THAT YOU HEARD FROM CONGRESSMAN AND MRS. HANSEN WHICH RELATE TO AN INTENTIONTEENS TO DO SOMETHING IN THE FUTURE. NOT A RECITATION OF ANYTHING THAT MAY HAVE HAPPENED IN THE PAST.

IN CONVERSATIONS WITH CONGRESSMAN OR MRS. HANSEN DID EITHER OR BOTH OF THEM DECLARE TO YOU AT ANY POINT, AN INTENTION TO REPAY NELSON BUNKER HUNT ON THAT NOTE?

THE COURT: YOU MAY ANSWER YES OR NO.

THE WITNESS: YES.

BY MR. LEWIN:.

Q. COULD YOU TELL US WHAT STATEMENT WAS MADE IN THAT REGARD, WITH REGARD TO ANY INTENTION TO REPAY MR. HUNT IN THE FUTURE?

A. THEY ASKED ME, COULD THEY PAY THE NOTE OFF AT THAT TIME.

Q. AND DID THEY INDICATE AN INTENTION THAT THEY WISHED TO REPAY THE NOTE AT THAT TIME?

A. THAT WAS THE QUESTION ADDRESSED TO ME. COULD THEY PAY OFF THE NOTE AT THIS TIME.

Q. WHAT DID YOU RESPOND, AND WHAT DID YOU DO?

A. I ADVISED THEM AGAINST PAYING OFF THE NOTE.

Q. AND WHY DID YOU ADVISE THEM AGAINST PAYING OFF THE NOTE?

A. BECAUSE THE QUESTION WAS ADDRESSED TO ME LATE ENOUGH IN THE INVESTIGATION THAT I WAS AFRAID THAT IT MIGHT BE VIEWED AS AN ATTEMPT TO CHANGE THE POSITION OF THE PARTIES AND I DID NOT WANT TO IN ANY WAY APPEAR, OR TO HAVE THE HANSENS APPEAR AS THOUGH THEY WERE ATTEMPTING TO CHANGE THE POSITIONS OF THE PRTIES IN AN ONGOING INVESTIGATION.

Q. DID YOU SUBSEQUENT TO THAT CONVERSATION DISCUSS THAT QUESTION WITH ANYBODY ELSE?

A. I DISCUSSED IT WITH MR. CAMPBELL OF THE HEMSLEY AND CAMPBELL GROUP, YES, SIR.

Q. THAT WAS AFTER HE WAS RETAINED IN REGARD TO THIS MATTER?

A. OH, YES, SIR.

Q. AND THAT IS THE MR. CAMPBELL WHO IS SITTING THERE?

A. HE IS THE SAME.

Q. AND WHO ELSE DID YOU DISCUSS IT WITH?

A. I DISCUSSED IT WITH YOU.

Q. ALL RIGHT, AND COULD YOU TELL US WHAT WAS DECIDED AS A RESULT OF THOSE DISCUSSIONS AND WHAT YOU DID?

MR. WEINGARTEN: YOUR HONOR.

THE COURT: COUNSEL TO THE BENCH, PLEASE. MR. MCKENNA SUE MAY STEP DOWN.

AT THE BENCH:

THE COURT: YOU HAVE BEEN UNHAPPY ABOUT WHEN MR. WEINGARTEN MENTIONED THE OTHER DAY INTRUDING HIMSELF PERSONALLY.

MR. LEWIN: I KNOW, BUT IF I SAID TO A WITNESS THAT I CONFLICTED WITH HIS VERSION OF THE EVENTS THEN I WOULD BE MAKING MYSELF A WITNESS IN THE CASE. I DON'T DISAGREE WITH MR. MCKENNA'S VERSION. MR. MCKENNA SPOKE TO MR. CAMPBELL. AND HE SPOKE TO ME. WE BOTH SAID TO HIM, AND HE IS TESTIFYING THAT. WE ARE NOT GOING TO BECOME WITNESSES IN ITS CASE BECAUSE OUR VERSION IS ENTIRELY CONSISTENT. WE BOTH SAID TO HIM IT WOULD BE UNWISE TO PAY THE NOTE WHEN THE CHARGES ARE PENDING AND IT WOULD LOOK LIKE A LAST MINUTE INTENTION.

MR. WEINGARTEN: THAT IS TOTALLY OBJECTIONABLE. WHAT MR. LEWIN SAID TO HIM.

THE COURT: HE IS NOT GOING TO SAY WHAT YOU SAID TO HIM?

MR. LEWIN: HE CAN SAY WHAT HIS CONCLUSION WAS.

THE COURT: HE CAN SAY WHAT HIS CONCLUSION WAS BUT YOU

CANNOT INTRUDE YOURSELF. THE SAME THING I SAID TO MR. WEINGARTEN. AND WHAT I SAID TO YOU. I DON'T POINTING TO MR. CAMPBELL AS BEING ONE OF THE TWO PERSONS. BUT THE MOMENT IT STARTS PUTTING YOUR CREDIBILITY ON THE LINE -- IT WAS YOUR OBJECTION THE OTHER DAY AND I AGREEDAGREE WITH YOU ABSOLUTELY THAT AN ATTORNEY CANNOT INTRUDE HIMSELF INTO IT PERSONALLY. I HAVE NO PROBLEM WHATSOEVER, IF THROUGH TESTIMONY OF MR. MCKENNA THE WITNESS WISHES TO SAY: ACTING ON THE DISCUSSION WITH PERSONS INVOLVED, HE DID THUS AND SO. WHATEVER IT WAS.

MR. LEWIN: THAT WAS THE CONSENSUS AND THERE WAS NO DISAGREEMENT, YOUR HONOR. THERE IS QUITE A BIT OF DIFFERENCE IN PUTTING YOURSELF IN THE CASE IN TERMS OF CREDIBILITY. THE GOVERNMENT SAID OVER AND OVER HAS HUNT'S NOTES BEEN REPAID. HE IS TRYING TO MAKE A SUGGESTION.

THE COURT: HE COULDN'T TESTIFY TO THIS, YOU KNOW.

MR. LEWIN: NOBODY IS DISAGREEING WITH WHAT MR. MCKENNA IS SAYING. I AM NOT MAKING MYSELF A WITNESS. I AM SIMPLY SAYING HE HAD THIS DISCUSSION. HE HAD IT WITH MR. CAMPBELL AND WITH ME.

THE COURT: HE CAN SAY WHAT HE DID WITHOUT GETTING INTO THE CONCENSUS.

IN OPEN COURT:

THE COURT: ALL RIGHT, MR. MCKENNA, YOU MAY RESUME. THE STAND, PLEASE LISTEN CAREFULLY TO THE QUESTION.

THE WITNESS: YES, MA'AM.

BY MR. LEWIN:

Q. FOLLOWING THE DISCUSSIONS THAT YOU HAD THAT YOU HAVE DESCRIBED, WHAT DID YOU DO, WHAT DID YOU DO OR SAY?

A. CAN I ASK HIM TO CLARIFY THE QUESTION?

THE COURT: WELL, AS A RESULT OF THE DISCUSSIONS, YOU HAD?

THE WITNESS: WITH THE ATTORNEYS OR WITH THE HANSENS?

THE COURT ALL RIGHT.

BY MR. LEWIN:

Q. FOLLOWING THE DISCUSSION WITH THE ATTORNEYS, WHAT DID YOU DO, EITHER WHAT YOU DID IN TERMS OF WHAT YOU SAID TO THE ATTORNEYS OR TO THE HANSENS, LIMIT IT TO WHAT YOU DID, WHAT YOU DID OR SAID. NOT TO WHAT THE ATTORNEYS, MR. CAMPBELL OR I SAID.

A. I DID NOTHING. I ADVISED NONPAYMENT.

Q. ALL RIGHT. AND TO YOUR KNOWLEDGE, THE LOAN HAS NOT TO THIS DATE BEEN REPAID, IS THAT CORRECT?

A. TO THE BEST OF MY KNOWLEDGE, IT IS OUTSTANDING AT THIS MOMENT.

Q. AND TO THE BEST OF YOUR KNOWLEDGE, HAS THE INTENTION OF MRS. HANSEN OR CONGRESSMAN HANSEN WITH REGARD TO THAT NOTE CHANGED FROM THE TIME THAT THEY SPOKE TO YOU ABOUT IT THAT FIRST TIME?

A. I HAVE NO REASON TO BELIEVE THERE IS ANY CHANGE.

Q. MR. MCKENNA, YOU HAVE TESTIFIED TO VARIOUS CONVERSATIONS AND THINGS THAT YOU DID REALLY IN TERMS OF

REPRESENTING CONGRESSMAN AND MRS. HANSEN WITH REGARD TO THE NOTES AND OTHER THINGS.

DID YOU REPRESENT CONGRESSMAN AND/OR MRS. HANSEN IN CONNECTION WITH THE INVESTIGATION THAT GREW OUT OF THE RECEIPT OF THE BLACKMAIL LETTER?

A. I PARTICIPATED IN SOME PHASES OF IT.

Q. WERE YOU PRESENT AT SOME PHASES OF THAT INVESTIGATION AS A LEGAL CONSULTANT OR LEGAL ADVISOR TO EITHER CONGRESSMAN OR MRS. HANSEN?

A. YES, SIR.

Q. SPECIFICALLY, WERE YOU PRESENT AT INTERVIEWS THAT THE FEDERAL BUREAU OF INVESTIGATION HAD WITH CONGRESSMAN OR MRS. HANSEN?

A. I WAS PRESENT AT ALL SAVE ONE BECAUSE AT THAT ONE MR. RUNFT REPRESENTED MRS. HANSEN.

Q. THAT WAS THE VERY FIRST INTERVIEW RIGHT AFTER THE REPORT OF THE BLACKMAIL LETTER?

A. YES.

Q. DO YOU RECALL A TIME IN --

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

AT THE BENCH:

MR. WEINGARTEN: ARE YOU SEEKING TO ELICIT WHAT CONGRESSMAN HANSEN AND MRS. HANSEN SAID?

MR. LEWIN: I AM SEEKING TO ELICIT THE FACT THAT AT AN INTERVIEW WHICH HE ATTENDED IN SEPTEMBER OF 1981, CONGRESSMAN

HANSEN TOLD THE F B I, WITH MR. MCKENNA, PRESENT, THAT HE HAD DISCUSSED, THAT HE WAS SKED THE FIRST TIME. YES, THE FIRST TIME HE WAS ASKED WHETHER HE HAD RECEIVED A PROFIT OF 87 THOUSAND, WHETHER IT WAS REPORTED ON THE ETHICS AND GOVERNMENT ACT FORM. CONGRESSMAN HANSEN ADVISED THE FBI AT THAT TIME THAT HE HAD DISCUSSED THIS MATTER AT LENGTH WITH HIS ATTORNEY, JAMES MCKENNA, AND JOHN RUNFT. IT SEEMS TO ME THAT IT IS HIGHLY RELEVANT AND PROBATIVE WITH REGARD TO ADVICE OF COUNSEL THAT FROM THE VERY FIRST TIME THAT THE CONGRESSMAN WAS ASKED THAT, THE GOVERNMENT WAS PUT ON NOTICE. HE HAD TALKED ABOUT IT TO HIS ATTORNEY AND BOTH ATTORNEYS WERE MENTIONED.

THE COURT: YOU WANT TO ASK MR. MCKENNA, THAT IF MR. HANSEN ADVISED IN THE PRESENCE OF MR. MCKENNA, AND IN THE PRESENCE OF THE F B I, IF HE HAD DISCUSSED THIS MATTER AT LENGTH WITH HIS ATTORNEY -- ARE YOU STOPPING THERE OR GOING TO THE NEXT PART?

MR. LEWIN: I WOULD LIKE TO PUT THAT WHOLE DOCUMENT INTO EVIDENCE.

THE COURT: THIS F B I INVESTIGATION REPORT?

MR. LEWIN YES, A ONE PAGE F B I INVESTIGATION REPORT. I THINK IT IS RELEVANT FOR THE JURY TO KNOW IN SEPTEMBER OF 1981, JUST ABOUT WHEN THE INVESTIGATION BEGAN THE CONGRESSMAN TOLD THAT TO THE AGENT. THAT HAS TO -- PRECISELY, IT IS A ONE PAGE F B I REPORT. IT IS A VERY SHORT INTERVIEW. IT DOESN'T GO INTO ANY IRRELEVANT THING JUST DIRECTLY AND SQUARELY FULLY

CORROBORATIVE OF THE DEFENSE THAT HAS BEEN PRESENTED HERE IN COURT.

THE COURT: YOU WANT TO DO THIS THROUGH MR. MCKENNA?

MR. LEWIN: YES, OF COURSE.

MR. WEINGARTEN: IT IS FULL OF SELF-SERVING HEARSAY. I'M NOT PERMITTED TO CROSS-EXAMINE CONGRESSMAN HANSEN THROUGH THIS. THAT IS A REPORT OF WHAT HE DID. THAT IS OFFERED PURELY FOR THE TRUTH OF THE MATTER ASSERTED. FOR THAT REASON WE OBJECT.

MR. LEWIN: THE GOVERNMENT KNOWS IF THEY WANT TO CALL THE AGENT OR EITHER OF THE AGENTS THAT WERE THERE, THEY HAVE DONE THAT MANY TIMES BEFORE TO TESTIFY TO WHAT THE DEFENDANT SAYS.

MR. WEINGARTEN: AM I PERMITTED TO CROSS-EXAMINE HIM ON ANYTHING THAT CONGRESSMAN HANSEN SAID?

THE COURT: OF COURSE.

MR. WEINGARTEN: NOT JUST THIS, EVERY STATEMENT HE WAS PRESENT AT WITH THE F B I. I CAN CROSS-EXAMINE HIM ON WHAT CONGRESSMAN HANSEN SAID?

MR. LEWIN: IF YOU WANT TO QUESTION HIM THAT CONGRESSMAN HANSEN SAID XYZ IN HIS PRESENCE, YES, I THINK SO.

MR. WEINGARTEN: INCLUDING THE TRANSCRIPT?

MR. LEWIN: OF COURSE. YOU CAN PUT THE WHOLE TRANSCRIPT IN. IT IS ALL ADMISSIONS OF THE DEFENDANT. YOU CAN PUT IT IN WITHOUT HIM.

THE COURT: IN SHORT, IT OPENS THE DOOR.

MR. LEWIN: SURE, I HAVE OPENED THE DOOR. I AGREE.

IN OPEN COURT:

THE COURT: MR. MCKENNA, I HAVE GIVEN YOU YOUR EXERCISE TODAY UP AND DOWN.

BY MR. LEWIN:

Q. MR. MCKENNA, DO YOU RECALL IN SEPTEMBER OF 1981, BEING PRESENT IN THE CONGRESSMAN -- LET ME GO BACK. THE BLACKMAIL LETTER MEETING OCCURRED IN APRIL OF 1981, IS THAT CORRECT? DO YOU RECALL THAT?

A. THE MEETING WITH THE ASSOCIATE ATTORNEY GENERAL OR ASSISTANT ATTORNEY GENERAL?

Q. RIGHT.

A. APRIL 6, 1981.

Q. AND IMMEDIATELY THEREAFTER THERE WERE INTERVIEWS ON THAT DAY LATE THAT DAY THEY BEGAN AND THE FOLLOWING DAY WITH AGENTS OF THE F B I COMING OVER TO THE CONGRESSMAN'S OFFICE TO CONDUCT INTERVIEWS, IS THAT RIGHT?

A. THAT IS RIGHT.

Q. AND YOU SAT IN ON AT LEAST SOME OF THOSE INTERVIEWS; YOU SAT IN ON THE INTERVIEW WITH CONGRESSMAN HANSEN, IS THAT CORRECT?

A. THAT IS CORRECT.

Q. DID YOU ALSO SIT IN ON THE INTERVIEW THAT WAS HELD WITH CONGRESSMAN HANSEN IN SEPTEMBER OF 1981? AND I WILL PLACE

BEFORE YOU WHAT I AM MARKING AS DEFENDANT'S EXHIBIT 88 FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED DEFENDANT'S EXHIBIT 88 FOR IDENTIFICATION.)

BY MR. LEWIN:

Q. DO YOU RECALL?

A. YES, SIR, I WAS AT THE MEETING WHICH IS REFLECTED IN THIS NOTE.

Q. AND THAT NOTE REFLECTS A MEETING OF SEPTEMBER 24, 1981. IT IS DOWN BELOW THE LEFT HAND CORNER?

A. I'LL SORRY, ON SEPTEMBER 24; THE INSTRUMENT ITSELF WAS DATED SEPTEMBER 29.

Q. AND IT IS A F B I INTERVIEW REPORT, IS THAT CORRECT?

A. MAYBE YOU ARE NOT FAMILIAR.

Q. IT SAYS F B I ON THE TOP OF IT. I HAVE NOT ENOUGH TROUBLE TO IDENTIFY IT OTHERWISE.

MR. LEWIN: WE OFFER THAT, 88.

MR. WEINGARTEN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE.

(WHEREUPON, DEFENDANT'S EXHIBIT 38 FOR IDENTIFICATION WAS RECEIVED INTO EVIDENCE.)

BY MR. LEWIN:

Q. THAT DOES REFLECT, THAT F B I REPORT REFLECTS THAT CONGRESSMAN HANSEN WAS INTERVIEWED IN HIS OFFICE, AT 11:25 IN

THE LONGWORTH BUILDING, IS THAT CORRECT?

A. YES.

Q. AND THAT CONGRESSMAN HANSEN ADVISED -- AND THAT YOU WERE PRESENT, THAT IS RIGHT?

A. THAT IS CORRECT.

Q. AND IT REFLECTS THAT YOU WERE PRESENT AS HANSEN'S ATTORNEY, ALSO PRESENT WAS JAMES MCKENNA, HANSEN ATTORNEY?

A. THAT IS WHAT MR. HOY REPORTS.

Q. AND THEN IT SAYS THAT HANSEN ADVISED THAT NELSON BUNKER HUNT HAD ABSOLUTELY NO INFLUENCE, FINANCIAL OR OTHERWISE, OR ANY CONNECTION WITH THE $125,000 LOAN THAT HE OBTAINED FROM THE FIRST SECURITY BANK, POCATELLO, IDAHO, IN JANUARY,1979, TO PAY A MARGIN CALL ON HIS WIFE'S SILVER INVESTMENTS. IS THAT CORRECT?

A. THAT IS WHAT IT SAYS HERE.

Q. NOW, THE TWO AGENTS THAT CAME OVER TO THE OFFICE ON THAT DATE, CAME OVER AND ASKED CONGRESSMAN HANSEN, DID THEY NOT, WHY HE HAD NOT REPORTED CERTAIN TRANSACTIONS INCLUDING A PROFIT ON THE 87 THOUSAND SILVER COMMODITIES TRANSACTION ON HIS ETHICS IN GOVERNMENT ACT FORM, IS THAT CORRECT?

A. THAT IS CORRECT.

Q. THAT WAS SEPTEMBER 24, 1981?

A. YES, SIR.

Q. AND THE DOCUMENT, EXHIBIT 88, REFLECTS THE FOLLOWING: HANSEN ADVISED, THE ANSWER TO THAT SPECIFIC QUESTION, HE HAD

DISCUSSED THIS MATTER AT LENGTH WITH HIS ATTORNEYS, JAMES MCKENNA, AND JOHN RUNFT?

A. THAT IS WHAT THE DOCUMENT SAYS.

Q. DO YOU RECALL THAT THAT IS WHAT CONGRESSMAN HANSEN TOLD THE AGENTS?

A. YES, SIR.

Q. SO THAT WHEN THEY FIRST ASKED HIM WHY YOU DID NOT REPORT THOSE TRANSACTIONS ON YOUR ETHICS IN GOVERNMENT ACT FORM IN SEPTEMBER OF 1981, THE CONGRESSMAN SAID THAT HE HAD DISCUSSED THIS MATTER AT LENGTH WITH HIS ATTORNEYS AND YOU WERE THEN PRESENT AND HE MENTIONED YOU AND JOHN RUNFT?

A. YES, SIR.

Q. SO HE TOLD THEM THAT FROM THE OUTSET?

A. FROM NO LATER THAN SEPTEMBER 24.

Q. AND DOES THAT MEMORANDUM ACCURATELY REFLECT THE CONVERSATION THAT TOOK PLACE ON THAT DATE?

A. AS TO THAT ITEM, YES.

Q. SUBSEQUENT TO THAT DAY, AND THAT INTERVIEW, GOVERNMENT AGENTS CAME BACK AGAIN, DID THEY NOT, TO INTERVIEW CONGRESSMAN AND MRS. HANSEN ANOTHER TIME?

A. YES, SIR.

Q. IN FACT, MESSRS. WEINGARTEN AND COLE CAME, DID THEY NOT?

A. THAT IS CORRECT.

Q. AND DID THEY SET UP ANY MEETING IN THE CONGRESSMAN'S

OFFICE?

A. YES, SIR. THEY ASKED FOR A MEETING AND FOR A STENOGRAPHER TO BE ALLOWED TO BE PRESENT, AND THE CONGRESSMAN ACCEDED TO THAT, AND THE MEETING OCCURRED IN HIS OFFICE.

Q. ON THURSDAY, JUNE 17TH, 1982?

A. IT WAS IN JUNE, AND IF THAT IS WHAT THE RECORD SHOWS THAT WAS THE DATE.

Q. AND WERE YOU PRESENT AT THAT TIME?

A. I WAS.

Q. AND MRS. HANSEN AND CONGRESSMAN HANSEN WERE PRESENT, RIGHT?

A. YES.

Q. AND MR. WEINGARTEN AND MR. COLE WERE PRESENT?

A. YES, SIR.

Q. AND MR. HOY OF THE F B I WAS PRESENT?

A. YES, SIR.

Q. AND A STENOGRAPHER TOOK DOWN THE QUESTIONS AND ANSWERS THAT CONGRESSMAN HANSEN AND MRS. HANSEN GAVE WHEN MESSRS. WEINGARTEN AND COLE ASKED THEM QUESTIONS AND ANSWERS?

A. YES, SIR.

Q. O. K. AND DO YOU RECALL THAT AT THE BEGINNING OF THAT SESSION, MR. WEINGARTEN EXPLAINED WHY HE WAS THERE IN JUNE OF 1982?

A. YES, SIR.

Q O. K.. AND DO YOU RECALL, AS HE SAYS --

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

THE COURT: GENTLEMEN, WOULD YOU BRING THE DOCUMENT WITH YOU? I DON'T HAVE A COPY OF IT.

AT THE BENCH:

THE COURT: IS THIS THE TRANSCRIPT YOU JUST REFERRED TO A MOMENT AGO?

MR. LEWIN: YES. I WANT TO INDICATE THAT AFTER THAT INTERVIEW, MR. WEINGARTEN CALLED HIM OVER. THEY EXPLAINED WHAT THEY WERE DOING TO THE CONGRESSMAN; CONGRESSMAN AND MRS. HANSEN ANSWERED THERE QUESTIONS UNDER NO COMPULSION, ANSWERED.

THE COURT: MR. HANSEN? MRS. HANSEN WAS ASKED TO BE PRESENT?

MR. LEWIN: YES. IT WAS A SEPARATE INTERVIEW.

THE COURT: MR. MCKENNA WAS PRESENT FOR HER INTERVIEW AS WELL AS THE CONGRESSMAN?

MR. LEWIN: YES.

MR. WEINGARTEN: IT IS TOTALLY INAPPROPRIATE TO PUT INTO EVIDENCE REPRESENTATIONS MADE BY A GOVERNMENT AGENT PURSUANT TO AN INTERVIEW. IF HE WANTS TO ELICIT WHAT CONGRESSMAN ON ANYTHING HAD TO SAY ON RELEVANT POINTS THAT IS ONE THING. THIS IS WELL AFTER THE ALLEGED INCIDENT TOOK PLACE. WE OBJECT TO WHAT I MAY HAVE SAID OR MR. COLE OR MR. WEINGARTEN MAY HAVE SAID.

MR. LEWIN: KNOWING THE FOCUS OF THE INVESTIGATION, THESE PEOPLE VOLUNTARILY SPOKE TO MR. WEINGARTEN AND MR. COLE.

THEY ANSWERED ALL THE QUESTIONS THEY WERE ASKED. THEIR WORDS WERE TAKEN DOWN AND THAT IS WHERE WE ARE.

MR. WEINGARTEN: HE CAN ELICIT THAT.

MR. LEWIN: WELL, I THINK IT IS IMPORTANT TO KNOW EXACTLY WHAT MR. WEINGARTEN TOLD CONGRESSMAN HANSEN.

THE COURT: MAY I SEE IT?

MR. LEWIN: YES. ALL I WANT TO INTRODUCE IS FROM THERE TO WHERE CONGRESSMAN HANSEN IS SAYING, "I THINK THAT IS FINE." WHAT MR. WEINGARTEN SAID AND CONGRESSMAN HANSEN SAID "FINE, WE CAN GO AHEAD. " I THINK IS APPROPRIATE, YOUR HONOR, IN TERMS OF SHOWING -- I HAVE NO DOUBT THEY CAN USE ANYTHING. I ALWAYS ASSUMED THEY WOULD USE ANYTHING IN THOSE INTERVIEWS THEY THOUGHT WAS INCULPATORY. THEY ARE ENTITLED TO DO IT. IT IS AN ADMISSION OF THE DEFENDANT. THEY WELL KNOW IT IS. IF THE DEFENDANT AFTER BEING TOLD ALL THAT, SAYS IT IS FINE AND THEN SPEAKS TO THEM.

I AM ENTITLED TO TO PRESENT TO THE JURY EVIDENCE THAT SHOWS THE DEFENDANT WAS AVAILABLE; ANSWERED ALL THE QUESTIONS.

I JUST WANT TO GO THROUGH PAGE 3.

THE COURT: NONE OF THIS?

MR. LEWIN: NO. IF HE WANTS TO PUT IT IN.

THE COURT: DO YOU WANT ANY OF THE QUESTIONS?

MR. LEWIN: I'LL ASK NONE OF THE QUESTIONS.

THE COURT: YOU HAVE NO OBJECTION IF MR. WEINGARTEN PUTS IN THE RESPONSE. OF COURSE, THEY ARE NOT IN A POSITION TO

TESTIFY.

MR. LEWIN: OF COURSE. I ALWAYS ASSUMED AND I THINK IT IS CLEARLY RIGHT MR. WEINGARTEN CAN USE ANY STATEMENT CONGRESSMAN HANSEN MADE, AND THAT WAS THE PURPOSE OF SUBMITTING THIS TO US UNDER RULE 16. IT IS A STATEMENT OF THE DEFENDANT. AND I ALSO ALWAYS ASSUMED IT TO BE A STATEMENT.

THE COURT: WHAT IS YOUR PROBLEM, MR. WEINGARTEN?

MR. WEINGARTEN: DEFENDANTS CAN SUBMIT TO INTERVIEWS FOR ANY NUMBER OF REASONS. HIS STATE OF MIND AS OF HIS FILING THOSE FORMS IS WHAT IS RELEVANT.

PERHAPS THE FACT THAT HE DID SUBMIT TO AN INTERVIEW WAS RELEVANT. BUT CERTAINLY WHAT I MAY HAVE SAID TO HIM OR WHAT MR. COLE OR WHAT ANY OTHER GOVERNMENT AGENT MAY HAVE SAID IN SOME PREFATORY COMMENT IS NOT ADMISSIBLE.

MR. LEWIN: NO, IF MR. WEINGARTEN HAD MADE SOME STATEMENT, OF COURSE, IT IS VERY RELEVANT TO KNOW EXACTLY WHAT THE DEFENDANT IS TOLD PRIOR TO THE TIME HE AGREED.

MR. WEINGARTEN CERTAINLY WON'T SAY IF HE TOLD CONGRESSMAN HANSEN: LOOK, THERE IS NO PROBLEM. NOBODY LOOKING INTO YOUR THINGS AT ALL. THAT THAT WOULD BE IRRELEVANT. THE POINT, PRECISELY, IS, THAT HE TOLD CONGRESSMAN HANSEN, YOU ARE THE TARGET. I AM LOOKING AT YOU FOR BRIBERY. AND HE SAID I THINK THAT IS FINE, AND HE WENT ON AND ANSWERED THE QUESTIONS AND I THINK THAT IS VERY RELEVANT.

I AM ENTITLED TO PUT THAT BEFORE THE JURY PRECISELY IN

CONTEXT OF MR. WEINGARTEN'S STATEMENT. I AM NOT RECONSTRUCTING. MR. WEINGARTEN DECIDED TO HAVE A TRANSCRIPT.

THE COURT: WHAT ARE YOU GOING TO DO WITH THE ENTIRE TRANSCRIPT?

MR. LEWIN: I AM NOT GOING TO PUT IT IN. I AM GOING TO READ THAT.

THE COURT: YOU ARE GOING TO READ SELECTED PORTIONS?

MR. LEWIN: JUST THAT AND PUT IT AWAY.

THE COURT: MR. WEINGARTEN'S FIRST FEW PARAGRAPH OF PAGE ONE?

MR. LEWIN: AND THE FACT THAT CONGRESSMAN HANSEN SAID THAT IS FINE. AND THEN THE INTERVIEW WENT ON WITH CONGRESSMAN HANSEN AND MRS. HANSEN AND THEY ANSWERED ALL THE QUESTIONS.

THE COURT: NOW, IF THAT MUCH IS USED BY YOU, HOW FAR WOULD YOU WITHOUT OBJECTION EXTEND THE USE OF IT TO THE GOVERNMENT, AS FAR AS CROSS-EXAMINATION IS CONCERNED?

MR. LEWIN: AS FAR AS THEY WANT. THEY CAN PUT THE WHOLE THING IN. I HAVE ALWAYS ASSUMED THEY COULD.

THE COURT: OF COURSE, THE END RESULT OF THIS INVESTIGATION ON JUNE 17, 1982, WAS AN INDICTMENT FLOWED FROM IT. FROM THIS AND FROM WHATEVER ELSE OCCURRED.

MR. LEWIN: SURE. THAT IS RIGHT.

MR.WEINGARTEN: I CAN'T IMAGINE WHAT THE RELEVANCE OF MY WORDS ARE AND THE FACT THAT HE VOLUNTEERED FOR AN INTERVIEW.

MR. LEWIN: IF MR. WEINGARTEN'S WORDS WERE STRAIGHT

AND HONEST, I DON'T KNOW WHAT HE IS CONCERNED ABOUT. THE POINT IS AFTER WHAT HE SAID, THE CONGRESSMAN SAID FINE, FINE AND IT IS IMPORTANT TO KNOW WHAT MR. WEINGARTEN SAID, AND I'LL BE INTERVIEWED AFTER THAT. AND IT IS FINE.

THE COURT: THAT WAS THE PURPOSE OF BEING THERE, TO BE INTERVIEWED.

MR. LEWIN: YES. AND MR. WEINGARTEN SAID --

THE COURT: IT IS IMPROPER TO INTERJECT COUNSEL. OBVIOUSLY, I HAVE TO KNOW IF THERE WOULD BE ANYTHING CONTROVERSIAL HERE TO EXPLAIN OR TO CHALLENGE WHAT HAS BEEN POINTED OUT TO ME. THE ONLY THING THAT WANTS TO BE USED BY THE DEFENSE FROM THIS PARTICULAR TRANSCRIPT IS BASICALLY PAGE TWO AND THE FIRST 3 OR FOUR OR FIVE LINES ON PAGE 3. FRANKLY, I DON'T UNDERSTAND WHY THEY WANT TO USE IT. I THINK IT IS INNOCUOUS, BUT CERTAINLY IT WILL OPEN THE DOOR. IF THEY USE IT, I WANT IT CLEARLY UNDERSTOOD THAT THE GOVERNMENT CAN USE IT.

MR. WEINGARTEN: THROUGH THIS WITNESS?

THE COURT: THIS WITNESS WAS PRESENT ACCORDING TO COUNSEL. ALL RIGHT.

IN OPEN COURT:

THE COURT: MR. MCKENNA, WILL YOU RESUME THE STAND?

BY MR. LEWIN:

Q. MR. MCKENNA, ON THAT MORNING OF THURSDAY, JUNE 17, YOU WERE PRESENT AT THAT SESSION, AND I WILL READ TO YOU AND ASK YOU WHETHER IT AN ACCURATE REFLECTION OF YOUR RECOLLECTION.

JUST THE OPENING OF THAT SESSION, AND WHAT OCCURRED AT THAT TIME.

MR. WEINGARTEN SAID, AND I AM READING FROM THAT TRANSCRIPT HERE.

"MR. WEINGARTEN: IT IS JUNE 17, 11 A.M.. HERE PRESENT ARE CONGRESSMAN GEORGE HANSEN OF IDAHO FALLS, AT 1125 LONGWORTH. PRESENT HERE, REED WEINGARTEN, DEPARTMENT OF JUSTICE, JIM COLE, DEPARTMENT OF JUSTICE. TOM HOY, F B I, CONGRESSMAN HANSEN, MRS. HANSEN AND MR. MCKENNA, WHO IS, I UNDERSTAND, ON THE STAFF OF CONGRESSMAN HANSEN. HE IS ALSO REPRESENTING CONGRESSMAN HANSEN FOR THIS PURPOSE.

" WE ARE HERE PURSUANT TO A REQUEST BY THE DEPARTMENT OF JUSTICE TO CONDUCT INTERVIEWS WITH THE HOPE THAT THEY WOULD ADVANCE THE INVESTIGATION THAT BEGAN WHEN CONGRESSMAN HANSEN AND AN ATTORNEY FOR NELSON BUNKER HUNT BROUGHT A BLACKMAIL LETTER TO THE DEPARTMENT OF JUSTICE ON APRIL 6, 1981.

" FOR YOUR EDIFICATION, PURSUANT TO YOU BRINGING THAT LETTER, OF COURSE, WE BEGAN AN INVESTIGATION INTO THE BLACKMAIL. IT TOOK LONGER THAN WE HAD HOPED. THERE WERE SOME COMPLICATIONS. BUT THERE WAS WORK DONE IN THE GRAND JURY, AND THERE WAS SOME LOOKING AT RECORDS OVERSEAS, BUT AS YOU MUST KNOW BY NOW, A MONTH AGO OR LAST MONTH AN INDIVIDUAL NAMED ARTHUR EMENS PLEAD GUILTY TO BLACKMAIL IN THE DISTRICT OF COLUMBIA, AND WILL BE SENTENCED NEXT MONTH.

" OBVIOUSLY, YOU HAVE SEEN THE LETTER. THE LETTER

CONTAINS AN ALLEGATION THAT THERE WAS WRONGDOING BETWEEN YOU AND NELSON BUNKER HUNT, AND WE ARE DUTYBOUND, OF COURSE, TO FOLLOW-UP ON THAT ONCE WE HAVE COMPLETED THE BLACKMAIL INVESTIGATION. THAT IS WHAT WE ARE DOING. WE CONCLUDED THAT.

" PERHAPS, IT IS BEST NOW IF WE DEAL WITH YOU DIRECTLY AND HEAR WHAT YOU HAVE TO SAY ABOUT THIS PARTICULAR TRANSACTION.

" SO, WITH THAT, I THINK WE ARE READY TO BEGIN, UNLESS YOU HAVE ANY QUESTIONS YOU WOULD LIKE TO ASK OF US.

CONGRESSMAN HANSEN SAYS: " I THINK THAT IS FINE."

NOW I HAVE READ THAT TO YOU. DOES THAT REFLECT THE OPENING OF THE MEETING AS YOU RECALL IT?

A. YES, SIR, HE SIMPLY SAID WE ARE FINISHED WITH THE BLACKMAIL, NOW WE WILL START ON THE BRIBERY, BUT HE TOOK TWO PARAGRAPHS TO SAY IT.

Q. AND PURSUANT TO THAT, THERE WAS THEN AN INTERVIEW, FIRST, WITH CONGRESSMAN HANSEN AND MRS. HANSEN JOINTLY? IS THAT CORRECT?

A. THAT IS MY RECOLLECTION.

Q. AND THEN THERE WAS AN INTERVIEW CONDUCTED SEPARATELY WITH CONGRESSMAN HANSEN?

A. YES.

Q. AND AN INTERVIEW CONDUCTED SEPARATELY WITH MRS. HANSEN?

A. THAT WAS THE STRUCTURE THEY REQUESTED, YES, SIR.

Q. AND YOU SAT IN ON ALL OF THOSE INTERVIEWS?

A. I DID.

Q. AND THE GOVERNMENT ASKED ALL THE QUESTIONS THEY WANTED TO ASK TO YOUR KNOWLEDGE?

A. WELL, I HOPE SO.

Q. THERE WAS NO TIME LIMITATION IS WHAT I MEAN. NO ONE TOLD THEM YOU HAVE GOT TO BE OUT OF HERE IN HALF AN HOUR?

A. WE IMPOSED NONE.

Q. AND WHEN THEY GOT DONE. THE QUESTIONS WERE ANSWERED, THEY PACKED THEIR BAGS AND THEY LEFT?

A. YES, SIR.

Q. O. K.

Q. WERE YOU EVER TOLD BY ANY, BY MR. WEINGARTEN OR MR. COLE OR ANY F B I AGENTS WHAT THE RESULTS WERE OF THE INVESTIGATION AND PROSECUTION OF THE BLACKMAILER?

A. NO, SIR.

Q. APART FROM WHAT WAS SAID?

MR. WEINGARTEN: MAY WE APPROACH THE BENCH ON THIS?

THE COURT: ALL RIGHT. MR. MCKENNA?

AT THE BEEN:

MR. WEINGARTEN: THINK THIS HAS BEEN BEAT TO DEATH, AND IF THERE IS ANY FURTHER INFORMATION THAT HAS NOT ALREADY BEEN ELICITED, WE OBJECT.

MR. LEWIN: OF COURSE, YOU OBJECT. WE TOLD YOUR HONOR WE WOULD LIKE TO INTRODUCE AND WILL DO IT WITH THIS WITNESS.

THE COURT: WHAT ARE YOU TALKING ABOUT NOW?

MR. LEWIN: THESE ARE THE CERTIFIED COPIES FROM THE

COURT RECORDS OF THE DISPOSITION OF THE PROCEEDINGS REGARDING MR. EMENS.

THE COURT: WHY DO YOU WANT THIS?

MR. LEWIN: WE LEFT IT OPEN. I SAID WE WANT TO PUT IN OFFICIAL CERTIFIED COURT PAPERS.

THERE WAS A STIPULATION. WE HAVE CERTIFIED COURT RECORDS OF THE PROCEEDINGS OF MR.EMENS. THERE WAS A STIPULATION WHILE MR. MING WAS ON THE STAND REGARDING THINGS HE COULD TESTIFY ABOUT, SPECIFICALLY MR. EMENS WAS IN HIS EMPLOY AND SO ON.

BEYOND THAT, IT IS RELEVANT TO POINT OUT WHAT ACTUALLY HAPPENED TO THIS BLACKMAILER JUST FROM THE COURT RECORDS. I AM NOT ASKING ANY EVIDENCE THAT HAS BEEN DISPUTED OR SUBJECT TO CONTROVERSY. PURELY, CERTIFIED COURT RECORDS REGARDING THE DISPOSITION OF THE CASE REGARDING THE BLACKMAIL.

THE COURT: HOW IS IT RELEVANT THAT THESE BE INTRODUCED IN EVIDENCE?

ONE, THAT MR. EMENS WORKED FOR MR. MING.

TWO, MR. EMENS WAS CONVICTED IN THIS BLACKMAIL.

THREE, MR. EMENS WAS SENTENCED.

FOUR, MR. EMENS RECEIVED WHATEVER THEY SAID YESTERDAY, A FINE AND COMMUNITY SERVICES.

THOSE ARE THE MATTERS, THINGS THAT HAVE ALREADY BEEN PUT IN THE EVIDENCE AND ARE BEFORE THE JURY. WHAT ELSE IS NECESSARY TO SHOW THAT THAT WAS THE DISPOSITION OF THE CASE OF

MR. EMENS?

THE FACTS THAT YOU ALREADY READ INTO THE TRANSCRIPT JUST A FEW MINUTES AGO. HE PLEAD GUILTY IN DISTRICT COURT AND WAS TO BE SENTENCED.

MR. LEWIN: WELL, I THINK THAT THE FACTS THAT WERE KNOWN REGARDING MR. EMENS IN THE INTERVIEW AND SUBSEQUENT IS RELEVANT TO THE WHOLE BLACKMAIL MATTER, YOUR HONOR.

WE DON'T WANT TO GO INTO IT IN ANY PERIPHERAL TANGENTIAL WAY. THE BLACKMAIL IS VERY MUCH IN ISSUE IN THIS CASE. AND WE THINK THE COURT DOCUMENTS ARE APPROPRIATE TO ALLOW THE JURY TO SEE PURELY OUT OF THE COURT RECORD WHAT APPEARS REGARDING THAT BLACKMAIL CHARGE AND ITS DISPOSITION.

I MAKE NO ARGUMENT. I'LL EXCUSE THIS WITNESS AFTER I PUT IN THE DOCUMENTS.

THE COURT: WE WANT TO MAKE SURE WHAT YOU WANT IN, AND WHAT I HAVE RULED ADMISSIBLE OR INADMISSIBLE.

MR. LEWIN: WHAT I AM OFFERING IN THIS REGARD IS THE JUDGMENT ORDER DATED JULY 26, 1982, CONCERNING ARTHUR EMENS, A CERTIFIED COPY OF THAT. THE INFORMATION IN WHICH MR. EMENS WAS CHARGED AND FILED ON MAY 18, 1982. AND THE GOVERNMENT'S STATEMENT OF FACTS SIGNED BY MR. WEINGARTEN AND MR. COLE, AS WELL AS THE PLEA AGREEMENT LETTER, SIGNED ON MAY 27, 1982, BY MR. EMENS, AND BY GOVERNMENT COUNSEL, AND A SUBSEQUENT LETTER FROM MR. WEINGARTEN TO MR. EMENS' COUNSEL, ALL OF WHICH ARE IN THE COURT FILES, IN THE UNITED STATES DISTRICT COURT FOR THE

DISTRICT OF COLUMBIA.

THE COURT: NOW, WHAT IS YOUR PROFFER?

MR. LEWIN: THAT THE BLACKMAIL LETTER AND THE RESPONSE TO THE BLACKMAIL LETTER ARE PROPER SUBJECTS OF INQUIRY FOR PURPOSES OF THE DEFENSE OF NO WRONGFUL INTENT IN THIS CASE.

THAT MATTER HAVING BEEN PRESENTED TO THE JURY, IT IS APPROPRIATE TO COMPLETE SIMPLY THE OFFICIAL RECORD REGARDING THAT, SO THAT THE JURY MAY SEE THE DISPOSITION NOT ON A HEARSAY BUT IN A PRECISE WAY THAT BLACKMAIL LETTER DISPOSITION.

THE COURT: WHAT DOES IT HAVE TO DO WITH THE FINANCIAL DISCLOSURES WHICH ARE THE FOCUS OF THE COUNTS IN THIS CASE?

MR. LEWIN: IT HAS TO DO WITH THE STATE OF MIND SHOWN BY THE REACTION TO THE BLACKMAIL LETTER. OR THE EVIDENCE REGARDING BLACKMAIL ALL REFLECTS ON CONGRESSMAN HANSEN'S STATE OF MIND. IT SHOWS THAT HE WAS INNOCENT AT THE TIME HE SUBMITTED THE ETHICS IN GOVERNMENT ACT FORMS, AND SINCE THAT IS RELEVANT, WE THINK THAT FOR THE PURPOSE OF SIMPLY NOT HAVING THE JURY BE IN THE DARK, REGARDING THE DISPOSITION OF THE BLACKMAIL LATER MATTER THAT SHOULD BE IN EVIDENCE.

THE COURT: THE GOVERNMENT OF COURSE, WILL SPEAK FOR ITSELF.

THE GOVERNMENT CAN SPEAK FOR ITSELF BUT LET ME EXPRESS THE THOUGHTS THAT COME TO MIND RIGHT AT THIS MOMENT:

ONE, OVER THE GOVERNMENT'S OBJECTION I ALLOWED THE INTRODUCTION, INITIALLY, OF THE BLACKMAIL LETTER PER SE AND THE

INTRODUCTION OF THE SUBJECT IN THIS CASE.

CERTAINLY, THE TESTIMONY THAT WE HAVE HAD THUS FAR WHETHER IT WAS WITH OR WITHOUT OBJECTION CONCERNING THE DISPOSITION OF MR. EMENS CASE; THE FACT MR. EMENS HAD BEEN AN EMPLOYEE OF MING COMMODITIES COMPANY.

AND IT SEEMS TO ME THAT THAT HAS SAID A GREAT DEAL AS TO THE INTRODUCTION OF THIS AND THE JURY SQUARELY HAS BEFORE IT AND I ALLOWED THAT TO SHOW THE INTENT AND STATE OF MINE OF THE CONGRESSMAN, YOUR DEFENSE, AND ALLOWED IT. TO GO MORE THAN THAT, I FRANKLY WOULD LIKE TO HEAR THE GOVERNMENT'S POSITION ON IT.

MR. WEINGARTEN: OBVIOUSLY, MR. LEWIN DOESN'T LIKE THE DISPOSITION OF THE EMENS SITUATION. THAT IS TOTALLY IRRELEVANT, HOWEVER, TO THE ISSUES BEFORE THE JURY. THIS IS NOTHING BUT A DIVERSION. THIS CAN DO NOTHING BUT SERVE TO CONFUSE THE JURY ON THE RELEVANT ISSUES. WHAT HAPPENED TO ARTHUR EMENS AFTER HE PLEAD GUILTY IS JUST NOT IN THIS CASE. BUT PERHAPS BECAUSE THE JURY IS PROBABLY CURIOUS OF THIS SORT OF BLACKMAIL LETTER, IT MAY HAVE BEEN APPROPRIATE TO SHOW WHO DID IT; WHO PLEAD GUILTY AND WHAT HIS SENTENCE WAS.

BUT BEYOND THAT, IT IS NOTHING BUT IRRELEVANT.

THE COURT: SINCE YOU DO HAVE THESE FACTS BEFORE THE JURY, WE ARE TRYING A DIFFERENT CASE, AND NONE OF THESE COUNTS PER SE REFLECT A BLACKMAIL LETTER. THE JURY IS FULLY ACQUAINTED WITH MR. EMENS, THROUGH THE PREVIOUS TESTIMONY THAT

HAS BEEN ADDUCED IN THE CASE. AND WERE YOU TO OFFER THESE MATTERS AS I TAKE IT YOU NOW ARE FOR THE RECORD, MR. LEWIN, THOSE THAT YOU JUST RECITED A FEW MOMENTS AGO WILL BE DEEMED INADMISSIBLE, AND, OF COURSE, THE RECORDS CANNOT BE, THERE CAN BE NO INQUIRY DIRECTED TO THE WITNESS. THIS ONE OR ANY OTHER CONCERNING THIS PARTICULAR MATTER.

ALL RIGHT, SIR, YOU HAVE MADE THE RECORD.

IN OPEN COURT:

THE COURT: LADIES AND GENTLEMEN, I KNOW YOU HAVE HEARD THAT RUMBLIONG, AND THERE IS SOMEONE COMING TO RECTIFY IT. PROBABLY DURING THE THE LUNCHEON. IF THERE COMES A TIME THAT YOU DON'T HEAR CLEARLY WHAT IS BEING SAID BY COUNSEL OR WITNESS OUT THERE, LET ME KNOW.

SIMILARLY, IF YOU HEAR ANYTHING EMANATING FROM THE BENCH CONFERENCE, I WANT YOU TO SIGNAL THAT, BECAUSE CLEARLY, WE DON'T WANT YOU TO HEAR IT. SOMETIMES, IT IS A SIMPLE MATTER OF: SHALL WE BREAK NOW OR I WANT TO MAKE A PHONE CALL OR I WANT TO SEE IF THERE IS A WITNESS OUT THERE. AND SOMETIMES IT IS A MORE SUBSTANTIAL MATTER AND IT IS IMPORTANT THAT YOU NOT HEAR WHAT IS HAPPENING UP HERE. AND THAT IN THESE PECULIAR BACKGROUND NOISES, YOU WILL NOT HEAR SOMETHING YOU SHOULD HEAR.

MR. LEWIN: YOUR HONOR, I HAVE NO QUESTIONS OF THIS WITNESS.

THE COURT: SHALL WE BEGIN THE CROSS EXAMINATION NOW?

MR. WEINGARTEN: I PREFER TO START AFTER LUNCH.

THE COURT: LADIES AND GENTLEMEN, WE WILL TAKE OUR LUNCHTIME RECESS AT THIS TIME. YOU GET 10 MINUTES MORE THAN YOU NORMALLY WOULD HAVE HAD.

WE WILL COME BACK AT 1:30 FROM THAT LUNCHTIME RECESS, AND PLEASE REMEMBER NOT TO DISCUSS THE CASE.

AND, MR. MCKENNA, YOU ARE IN THE MIDST OF YOUR TESTIMONY, AND I WILL GIE YOU A SIMILAR ADMONITION NOT TO DISCUSS IT WITH ANYONE UNTIL YOUR TESTIMONY IS OVER.

HAVE A GOOD LUNCH, AND WE WILL CONTINUE THE TESTIMONY AT 1:30 THIS AFTERNOON, AND PLEASE REMEMBER, UNLESS SOMETHING HAPPENS EVEN WORSE THAN THE WEATHER, THAN IT WAS THIS MORNING, WE WILL PROBABLY CONTINUE TO SIT UNTIL 7 O'CLOCK TONIGHT.

WE WILL HAVE TO MAKE SOME JUDGMENTS AS TO THE WEATHER. WE ARE IN A WINDOWLESS ROOM, AND I HAVE NO IDEA WHAT IS GOING ON OUT THERE.

(WHEREUPON. AT 12:05 P.M., THE ABOVE-ENTITLED MATTER WAS RECESSED FOR LUNCHEON, TO RECONVENE THE SAME DAY AT 1:00 P.M.)

AFTERNOON SESSION

THE COURT: Good afternoon. Mr. McKenna, why don't you resume the stand as cross-examination is about to begin? As soon as you do that, we will bring the jury in here.

(Jury present at 1:45 p.m.)

THE COURT: Good afternoon, ladies and gentlemen. Without asking any details, I hope your lunch was all right. Let us continue now with the testimony. We commence upon the cross-examination. Mr. McKenna is back on the stand.

Whereupon,

JAMES MCKENNA

resumed the stand and, having been previously duly sworn by the Deputy Clerk, was examined and testified further as follows:.

CROSS-EXAMINATION

BY MR. WEINGARTEN:

Q. Good afternoon, Mr. McKenna.

A. Good afternoon.

Q. How long have you been with Congressman Hansen?

A. December, 1978, five years and several months.

Q. You have been on his personal staff that entire time?

A. Yes, sir.

Q. Have you known Congressman Hansen before that?

A. Yes, sir.

Q. Is it fair to say that you are friends with Congressman Hansen?

A. It is an employer/employee relationship, and I think we mutually like each other, yes.

Q. At least since December, 1978, you have been with him every business day or when he is in town and you are in town?

A. Substantially.

Q. So, frequent contact?

A. Yes, sir.

Q. Is it fair to say you are familiar with the affairs of Congressman Hansen?

A. His legislative affairs, his project affairs, his personal affairs, no.

Q. There is a bridge or there is a wall, I should say, between his personal life and his professional life?

A. Until the personal life impinges on his professional legislative life, I am not involved. I have never been to his home or anything like that.

Q. Are you familiar with his personal financial affairs?

A. I am aware of his financial difficulties, but in particular, not without particularity.

Q. Do you know his accounts? Do you know what loans he has? Do you know his mortgages?

A. I know the loans that are the subject of the discussion here. I know that he has mortgages. I testified we dealt with that in one of our discussions, but I only know that he owns a home in Idaho, he owns a home here and a home somewhere else for another family member.

Q. Is it fair to say you served in the capacity as defense counsel in this case?

A. For a period of time.

Q. You came to the Justice Department on behalf of Congressman Hansen. You have written documents, and it is fair to say, is it not, that you are familiar with the entire facts of the case?

A. I think so.

Q. You have been in the courthouse every day, every day of this trial?

A. At your request.

Q. At my request?

A. Yes, sir.

Q. I requested you be here?

A. You put me on your witness list.

Q. Were you subpoenaed by the government?

A. No, but you put me on the witness list and I was advised of that by counsel and I have been out there ever since.

Q. You have been in the courthouse the entire trial because of the government's actions?

A. Yes, sir.

Q. I am interested, Mr. McKenna, Defendant's Exhibit 85 is a list of a Congressional staff directory. You are not in it under Congressman Hansen. Is there a reason?

A. I asked that same question when I saw the exhibit.

Q. It was just a mistake?

A. Probably. I do exist, and I do work for him.

Q. You are on his payroll?

A. I am on his Congressional payroll.

Q. You have been on his Congressional payroll since December of 1978?

A. Yes, sir.

Q. Mr. McKenna, when was the first time you saw the Hansens' property separation agreement?

A. Since the inception of this case.

Q. The inception of the indictment would you say or the when the investigation began? Can you give us a date?

A. The first time I physically saw that document was within the past 60 days, precisely when within that 60 days, it is difficult to say.

Q. Were you providing legal advice to Congressman Hansen on the basis of that agreement without ever having seen it?

A. That was not my testimony. What I said was as to the effect of that document, in Idaho, and its effect on their economic relationship, I relied on a reputable well-known Idaho attorney.

Q. You also testified in your direct about the legal effect of community property, did you not?

A. Yes, sir.

Q. You, of course, know that Idaho, like California and a few other states, are community property states?

A. I think that is the fair fodder of a law school education, yes, sir.

Q. From a law school education, of course, you understand that if there is to be a seperation of community property, it is to be based on the conduct of the parties? That is a fair statement, is it not, Mr. McKenna?

A. I am not prepared to argue at all with you, sir.

Q. Is that a fair legal statement?

A. I don't think so, but I am not prepared to argue law with you.

Q. If the parties enter into a separation agreement and then never separate their property, a court of law, in a community property state, would be apt to decline to find that the property had been separated, is that not a fair statement, Mr. McKenna?

A. Would it be possible for a court of law to make a determination based on subsequent conduct?

Q. Yes.

A. It would be possible.

Q. Let me give you a hypothetical. What if two people entered into a property separation agreement in a community property state, and the agreement turned out to be a fraud and they never separated their property at all. What do you think a court in that state would say about whether or not there was a separation?

A. I am not sure whether or not you are suggesting to me that the court found the fraud or you found the fraud.

Q. Let's say, Mr. McKenna, that in fact the property separation agreement was a fraud and that the parties never separated their property at all. What would be the legal effect, in a community property state, of that property separation agreement?

A. I am not trying to be difficult. I don't know the answer because you put a conjunctive in it. It was a fraud and/or it was a fraud because. There is a legal difference between something being a fraud because of a series of events, or a fraud and the series of events, and you know that difference.

Q. Why don't you answer either one.

A. Either one?

Q. Yes.

A. That it was a fraud and? Then the "and" part is an irrelevancy, isn't it?

Q. Maybe I will simplify it this way. What if two people sat down in a community property state and wrote out a property separation agreement, never intended to carry it out, never separated their property, and there was a challenge in court as to the legal effect of that agreement. You know what the answer would be, don't you?

A. No, no, I don't.

Q. Is it fair to say, sir, that the sole purpose of the property separation agreement of the Hansens was to get around the Ethics Committee rule that said that neither Congressman Hansen or Mrs. Hansen could solicit money on behalf of Congressman Hansen through a direct mailing?

A. Other than the word "get around", I think there is no question that this arrangement was arranged in order to liberate her to make those solicitations, of course.

Q. She did in fact solicit money, is that correct?

A. That is my understanding.

Q. If the money that was solicited wound up immediately into a joint account of the Hansens, would that be consistent with representations that were made to the House Ethics Committee, sir?

A. I would think so.

Q. You would think that Mrs. Hansen, after declaring a property separation agreement to the House Ethics Committee could have gone out and solicited money and put that money directly into an account that Congressman Hansen used?

A. And that she used.

Q. You think that would be okay?

A. I do.

Q. What was the point of House Ethics Advisory Opinion

No. 4, sir, do you know?

A. You tell me. I don't know.

Q. Are you familiar with it, as you sit there?

A. Not as I sit here. You would have to refresh my recollection.

Q. You know this book, don't you, sir?

A. I am aware of it.

THE COURT: Exhibit number what?

MR. WEINGARTEN: Defendant's Exhibit No. 1.

BY MR. WEINGARTEN:

Q. Find Ethics Committee, 95th Congress, opinion No. 4, if you would, sir. Do you have it, sir?

A. Yes, sir.

Q. Mr. McKenna, what is the subject of the opinion?

A. The subject of the opinion is may a member or spouse -- member of the House or spouse solicit cash gifts of less than $10 for personal use through direct mail.

Q. What is the bottom line?

A. Summary opinion is that they are not.

Q. Are you saying, sir, it would have been okay, pursuant to this rule, for Mrs. Hansen to go out and solicit monies and then put that money into an account that they both use?

A. It wouldn't be okay pursuant to this rule. It would be okay pursuant to a course of action that was taken specifically to legally exempt Mrs. Hansen from the effect of this rule.

Q. That course, sir, was a representation that those parties had separated their effects, had become separate economic beings?

A. That is right. Before you go further, I missed the first couple of words and therefore I don't have the full effect of your question.

Q. Are you testifying that if Mrs. Hansen went out and solicited monies after representing to the House of Representatives there was a legal separation between her and Congressman Hansen, that she could have turned around and put that money into a joint account that Mr. Hansen used?

A. I think I already did testify to that, that is the case.

Q. That is okay. Why did Mrs. Hansen set up a special fund?

THE COURT: What was your answer?

THE WITNESS: I think I already testified to that.

THE COURT: That answer was what?

THE WITNESS: Yes.

BY MR. WEINGARTEN:

Q. What was the point of Connie Hansen setting up a special fund?

A. I am sorry, the point of it?

Q. Yes.

A. The donations were in check form. What other possibilities were there?

Q. She didn't use that account to segregate monies that she received?

A. I don't know what you mean by segregate. The monies that were donated went into that account and went to that account only. It was used, according to my information, specifically to pursue the purposes for which it was given.

Q. Which was?

A. To retire the debt obligations of the parties.

Q. Both parties?

A. As far as I know.

Q. What debt obligations were there, Mr. McKenna, and what debt obligations were retired?

A. I am not aware of that. I said I was not personally aware of the ebb and flow of the personal economic problems of the parties.

Q. The property separation agreement separates the assets and liabilities of the parties, does it not?

A. That is my understanding.

Q. The property separation agreement purports to represent that Mrs. Hansen had personal debts of about $372,000, is that correct?

A. It establishes a division assigning to her a certain number of debts, yes, sir, that is my understanding.

Q. What debts were they? What constituted the $372,000 of personal debts?

A. I think you misunderstood me. I said I was not privy to the specific obligations, personal obligations of the parties, and that includes both the Congressman and the wife.

Q. Let me just make sure I understand. Do you have any idea what made up the $372,000 in debts that is represented in the property separation agreement?

A. I know now, because of the attention centered on it by reason of the current situation, of the bank obligations.

Q. Well, the bank obligations are listed for Congressman Hansen.

A. I understand that. I am trying to answer your question. I know about those. About the specifics of to whom and in what amount, monies are owed by either party to other individuals, I am unaware.

Q. How about one specific?

A. I said as to others, I am unaware. I can't give a specific if I am unaware of it.

Q. You saw the property separation agreement for the first time 60 days ago or less?

A. Within that period.

Q. You opened up and you saw that it purports to represent that Mrs. Hansen owes $372,000 in personal debts?

A. It assigns that amount of debts to her, if that is the right amount. Somewhere in that area, yes, sir.

Q. You knew, of course, this was to become an issue at this trial, did you not?

A. I knew long before this trial.

Q. As you sit here now, you cannot provide one specific as to the content of those $372,000 in debt, is that correct?

A. Yes, sir, that is correct.

Q. Now, when you talked about a debt of Mrs. Hansen, that is, a matter of public record, is that the debt that you are referring to?

A. The debt of Mrs. Hansen that is a matter of public record?

Q. Yes. I think you testified words to that effect in your direct examination, sir.

A. If I did, I may have been careless. What I meant to say was that it was publicly known she was indebted.

Q. When you talk about her debt, is it the $372,000 that you are talking about?

A. That is my assumption, yes, sir.

Q. Mr. McKenna, you testified about a May 9th, 1978, letter that was directed to the honorable Richardson Preyer of the House Ethics Committee, May 9th, 1978, wherein Congressman Hansen talked about allegations that had been made that under the old House rules he had filed financial disclosure statements that didn't include his wife's assets?

A. I identified that document, yes, sir.

Q. I don't know the defense number.

MR. COLE: 38.

MR. WEINGARTEN: May I have 38, please.

BY MR. WEINGARTEN:

Q. Do you need the document or do you know what is in it?

A. It deals with some very specific allegations with regard to the legal effect, and I would not like to testify, if you are going to ask me specific questions, without the document.

MR. WEINGARTEN: That is fair.

I represent to the Court this is a copy of it.

THE COURT: Is there any additional copy the Court can follow?

MR. WEINGARTEN: There is, Your Honor.

MR. LEWIN: We have one.

BY MR. WEINGARTEN:

Q. Mr. McKenna, this letter includes a specific request, does it not, on the bottom of page 2?

A. It does indeed.

Q. And the request is, "At this time I respectfully request confirmation of the validity of my report."

Now, did you receive a response from the House Ethics Committee, in writing, sir?

A. I did not, and I do not know that the Congressman did.

Q. Did you follow up and request a written response?

A. I thought this was that request.

Q. Did you follow up?

A. Did we make a subsequent one?

Q. Yes.

A. I did not. I do not know whether Mr. Runft did.

Q. Is there a piece of paper, sir, from the House Ethics Committee, anywhere, that represents that Congressman Hansen, prior to the Ethics in Government Act, that he needn't report his wife's assets?

A. A piece of paper?

Q. Yes.

A. I doubt it. In fact, I think I testified that we had no response from the House, and I suspect that the House had an obligation to us.

Q. Let me ask it this way: Prior to the Ethics in Government Act, and that became effective in 1979, is that correct?

A. That is my understanding.

Q. Is there a written document anywhere in the world, from the House Ethics Committee to Congressman Hansen telling him he needn't report things in his wife's name?

A. Precisely, there is not.

Q. Thank you.

Mr. McKenna, the Ethics in Government Act came along and became effective in 1979, did it not?

A. Yes, sir.

Q. It includes financial disclosure provisions, does it not?

A. Yes, sir.

Q. One of the primary purposes of the Act is to preserve and promote public confidence in the integrity of federal officials through financial disclosure. Is that not how the Act begins, sir?

A. Yes, sir.

Q. In addition to that, in Defendant's Exhibit No. 1, the ethics manual, there is a long discussion about why financial disclosure is necessary, is there not, sir?

A. There is.

Q. Would you turn to page 112, please. Do you see an indentation where in bold print it says, "Financial Disclosure"?

A. I do.

Q. Would you read the first two sentences that follow, sir?

A. "The major deterent to the potential conflicts of interest, which might arise because of the personal financial holdings of a member or an employee of the house, is the requirement of an annual public financial disclosure by certain employees and by members and the discipline of the electoral process." Is that a period?

Q. Please continue. That is the first sentence. One more, please.

A. "As noted by the House Committee on Administrative review of the 95th Congress, in its recommendation of adoption of the broader financial disclosure requirements, the objectives of financial disclosure are to inform the public about the financial interests of government officials in order to increase the public confidence in the integrity of government and deter potential conflicts of interest."

Q. Had you ever seen that language before, sir?

A. Of course.

Q. You considered that language, of course, in your legal advice to Congressman Hansen?

A. I did indeed.

Q. Who gets these financial disclosure statements, Mr. McKenna, as a matter of practice?

A. The Clerk of the House.

Q. Pardon me?

A. Who is the recipient of the form when it is executed?

Q. Yes.

A. The Clerk of the House.

Q. In your experience, who in the public goes out and gets these documents? Is it fair to say that the press is very interested in these documents?

A. Oh, yes.

Q. How about political opponents?

A. It has been known to be used.

Q. How about law enforcement officials?

A. That, I don't know. You would have to testify.

Q. How about Idaho election officials? Are these forms not sent, as a matter of course, to the state election officials of the House?

A. Not as a matter of course, as a matter of law.

Q. As a matter of law. So these forms of a congressman are shipped out to the home state?

A. Yes, sir.

Q. And they are made available to the public?

A. I don't know what happens to them in the state capitol, sir.

Q. Of course, these financial disclosure statements are available to a congressman's peers?

A. You mean other congressmen?

Q. Right.

A. They are available to anyone who wants to go down to the room in the Longworth Building and go ask to see a copy.

Q. Now, Mr. McKenna, are you familiar with the provisions of the Ethics in Government Act?

A. Moderately.

Q. There is no dispute, is there, sir, that liabilities of a congressman of more than $10,000, excluding a mortgage, generally have to be disclosed?

A. Yes, sir.

Q. There is no dispute, is there, that commodities transactions of a congressman generally have to be disclosed? There is no dispute there, is there, sir?

A. I don't know that I have disputed that.

Q. I am just establishing it. That is correct, isn't it?

A. Yes.

Q. Generally speaking, the transactions in the name of a spouse must be included as well, as a general rule? And we will get to the exceptions in a second.

A. Yes, sir.

THE COURT: I don't know if our ladies and gentlemen of the jury can see it at the same time you are examining. We will see if we can get an easel.

MR. WEINGARTEN: Maybe I can set it right here.

BY MR. WEINGARTEN:

Q. Mr. McKenna, are you familiar with the rules of exemptions for spouses contained right in the Ethics in Government Act?

A. Yes, sir.

Q. Is it a fair statement that the standards for exemption are contained on that board to your right, which is a government exhibit, a chart admitted into evidence?

THE COURT: If you can see it, Mr. McKenna.

THE WITNESS: I read it over there, Your Honor.

I think it is a reasonable representation.

BY MR. WEINGARTEN:

Q. Is it a fair statement that a congressman must include transactions in the name of his wife unless he meets not one, not two, but all three of those tests?

A. With certain exceptions which are the subject of this situation.

Q. Well, you acknowledge the validity of that test?

A. I acknowledge that that is what the statute says, yes, sir.

Q. Now, what are you saying are the exceptions to this rule, sir?

A. I am saying that in the situation that the Hansens were in, subsequent to the execution of their document, they were outside the purview and intent of that law.

Q. Where, in the Ethics in Government Act do you find one word to support your conclusion?

A. Within the act?

Q. Yes, sir.

A. I don't find any word. It is inapplicable, these provisions.

Q. Are you saying, sir, that there was one test for every member of Congress and another test for Congressman

Hansen for spousal property?

A. Not at all. I am saying there is one test for everybody in the same situation and that those who are not in that situation are not under that rule.

Q. Is there a word anywhere in the Ethics in Government Act that supports your conclusion?

A. Sir, I think I just testified that our position is it is not within the Act.

Q. Well, you acknowledge, sir, that there is nothing in the Ethics in Government Act, passed in 1978, to support your legal conclusion that Congressman Hansen didn't have to report certain properties?

A. I have said it twice. I will say it a third time.

Q. Now, are you familiar with the fact that Mr. Runft relies on a provision in the Act relating to spouses living separate and apart from their husband?

A. I am aware of it, yes, sir.

Q. Do you rely on that interpretation, sir?

A. I rely on Mr. Runft's conclusion with respect to the effect of the separation agreement on the obligation to file under the AIGA act.

Q. Are you aware of the provision in 2 U.S.C.702 a provision of the Act that says, "No report shall be required with respect to a spouse living separate and apart from the reporting individual with intention of terminating the marriage or providing for permanent separation, or with respect to any income or obligations of an individual arising from the dissolution of his marriage or the permanent separation from his spouse," are you familiar with that provision?

A. Yes, sir.

Q. Now, that clearly has nothing to do with Congressman and Mrs. Hansen, does it? You will agree with that, won't you?

A. No, I won't agree with that.

Q. Were they living apart at the time, sir, at the time of the reportings?

A. If you are asking me to re-testify for somebody else, I can't do that.

Q. I am asking you for your opinion, sir. Does that provision that I just read have any applicability whatever to the situation of Congressman and Mrs. Hansen when they filled out their forms?

A. It was the opinion of Mr. Runft that it did.

Q. How about your opinion, sir?

A. I followed that opinion.

Q. You had no independent conclusions of your own?

A. I understood his reasoning and thought it was cogent.

Q. You agreed with it?

A. I think so, yes.

Q. Were Mr. and Mrs. Hansen during the filing living separate, sir?

A. Living separate in the interpretation that Mr. Runft gave that Act, it meant something specific with regard to economics, and they were, in that sense.

Q. Mr. McKenna, name me one thing that was separate about Mr. and Mrs. Hansen during the filing of these financial disclosure statements.

A. It is my understanding that all of the assets and obligations were separate.

Q. If you found out, sir, that all the assets remained commingled and all the liabilities remained commingled, what would your conclusion be then, sir?

A. Remained commingled?

Q. Never separated whatever, that wouldn't affect anything, is that correct?

A. I am not sure it would, no.

Q. Mr. McKenna, is there a document from Congress that told Mr. Hansen that he didn't have to report the Hunt loan, the Dallas loan or the silver transaction?

A. Of course not. If there were a document, it would indicate a previous report, wouldn't it?

Q. If there was a document, it would be in evidence, isn't that true, Mr. McKenna?

A. If there were a document authorizing Mr. Hansen not to report the matter?

Q. Yes.

A. It would be in evidence?

Q. Yes.

A. I suppose so, but it seems kind of a weird supposition.

Q. Just so we are clear, Mr. McKenna, is there one word, from the House Ethics Committee or the House Standards Committee ever authorizing Congressman Hansen not to report transactions that are in his wife's name?

A. Yes.

Q. Where is it, sir?

A. I don't think it is written.

Q. It is not written?

A. No. But I think a course of conduct is indicated.

Q. The course of conduct?

A. Yes, sir, course of conduct.

Q. Now, Mr. Hansen holds himself out, I think in your words, as a populist?

A. That is correct.

Q. Grass roots person?

A. Yes, sir.

Q. Get to the little man?

A. That is his political style.

Q. It is true, is it not, that accepting large amounts of money from Nelson Bunker Hunt wouldn't be too popular for a populist?

A. It hadn't occurred to me one way or another.

Q. You were present during the interview, were you not, sir?

A. I was, sir. Which interview?

Q. The interview that I conducted with Mr. and Mrs. Hansen?

A. That one, you bet, yes, sir.

MR. WEINGARTEN: I would like to have marked the next Government's Exhibit.

DEPUTY CLERK: Government Exhibit 77A marked for identification.

(Whereupon, Government's Exhibit No. 77A was marked for identification).

BY MR. WEINGARTEN:

Q. I hand you Government's Exhibit 77A and ask you, sir, if that is not a transcript of the interview of Congressman and Mrs. Hansen, June 17th, 1982, about which you testified on your direct examination?

A. That is what it purports to be.

Q. Turn to page 12, sir.

THE COURT: Is there a copy? If not, we will live with it.

MR. WEINGARTEN: I only have two.

THE COURT: That is all right.

BY MR. WEINGARTEN:

Q. Do you have page 12, sir?

A. I do.

Q. Do I not ask Mr. Hansen, "Has Mr. Hunt or anyone in the Hunt family ever contributed to a campaign of yours?"

Does Mr. Hansen not answer, "I don't think so. I don't think so. I don't watch these contributions very closely. I have an accountant who handles it but as far as I know he is not much of a contributor to campaigns and I never personally go out to ask people for money but I frankly don't think so. In Idaho, any time you run for election, any of your large contributors usually get a lot of exposure in the press and I am sure he would have heard about it if he had."

Did Congressman Hansen say that?

A. I assume it is a accurate transcript.

Q. Were you present?

A. I was present.

Q. As a matter of politics, what would be the effect for a populist in Idaho if he were receiving large amounts of money from one Nelson Bunker Hunt?

A. He was re-elected after the disclosure last year.

Q. What would be the effect politically?

A. I said he was re-elected last year.

Q. You are saying there is no effect at all?

A. All I can tell you is history. It was exposed in the press long before last election, and he was elected.

Q. Mr. McKenna, did you provide specific advice to Congressman Hansen for his 1978 AIGA form? I am talking now about the Dallas loan.

A. Are you talking about 1979, not 1978?

Q. Yes, the form he filled out in 1979 for 1978, did you provide specific advice and tell Congressman Hansen he need not report that Dallas loan?

A. My recollection is that I concurred in an opinion by another counsel, yes, sir.

Q. Did you know, sir, that the monies that were at issue had begun with a soybean transaction?

A. No, not at that time.

Q. Not at that time?

A. No.

Q. Did you know anything about the soybean transaction when you gave that advice to Congressman Hansen?

A. No.

Q. Did you know that the Congressman had solicited Nelson Bunker Hunt for monies and that had resulted in a soybean transaction?

A. I still don't know that.

Q. You still don't know that. Did you know at the time that the soybeans that were purchased in Mrs. Hansen's name were first purchased in Bunker Hunt's name and were only transferred after the market had risen, did you know that when you gave the advice?

A. I can't argue with you. I don't know that to be a fact. I don't know whether you do.

Q. When you sat down with Congressman Hansen in 1979 and gave him your legal opinion, you knew nothing about the soybean transaction, is that correct?

A. That is correct.

Q. Did you know where the proceeds of the Dallas loan went, sir?

A. The proceeds of the Dallas loan?

Q. Yes.

A. No, sir.

Q. Did you know it went into a joint account, upon which Congressman Hansen wrote checks?

A. I might even have recommended it, had I known.

Q. You did know that?

A. I said I did not but I might have even recommended it.

Q. Recommended what?

A. That it be put in a joint account.

Q. Why would you have done that?

A. As a vehicle for disposing of the money for the specific purpose for which it was disposed of, I would imagine that that would be perfectly relevant.

Q. How was it disposed?

A. The majority of it, I understand now, was disposed of by paying off the obligation.

Q. Did you know that back when you gave the advice?

A. No, sir.

Q. Do you recall when I interviewed Mrs. Hansen and asked her why it was, or words to the effect, why she purchased soybeans that she started talking about how it was when she grew up in Arkansas, there were soybean and soybean receipes, do you recall that sir?

A. Yes, sir.

Q. Is that your understanding why Mrs. Hansen went into the soybean market?

A. It is a little difficult to answer when I have already told you I didn't even know about it.

Q. Were you present during that interview?

A. Of course I was.

Q. When Congressman Hansen described the soybean transaction as a financial bath?

A. I assume he would have used those terms. He has used them on other occasions.

THE COURT: The question was were you present?

THE WITNESS: I was present.

BY MR. WEINGARTEN:

Q. Do you recall that usage?

A. Yes, sir.

Q. That was a financial bath?

A. Of course.

Q. Did you know at the time, sir, that the loan that was received was $50,000?

A. I knew the amount of the loan, yes, sir.

Q. And the loss was $33,000?

A. Yes, sir.

Q. When did you give the advice to the Hansens that they shouldn't pay Bunker Hunt off because of this litigation?

A. Subsequent to the indictment.

Q. So that would have been at least six years after the soybean transaction, is that fair?

A. Of course.

Q. So the soybean financial bath represented Mrs. Hansen getting a $50,000 loan for a $33,000 transaction that she didn't pay back for at least six years, without benefit of your legal advice, is that a fair statement?

A. If those are the facts, I guess it is a fair statement.

Q. Did you give Congressman Hansen specific legal advice that he didn't have to report the silver transaction?

A. The silver transaction is 19 --

Q. If the transaction was 1979 and the form filled out was 1980, did you sit down and say, "Congressman Hansen, you needn't report that $87,000 profit"?

A. I don't think so.

Q. Did you know about the silver transaction, sir?

A. No.

Q. Did you know, as it was going on?

A. No. I was unaware of the commodities transactions in any way.

MR. WEINGARTEN: Would you mark this, please.

DEPUTY CLERK: Government's Exhibit 77B marked for identification.

(Whereupon, Government's Exhibit No. 77B was marked for identification).

BY MR. WEINGARTEN:

Q. Mr. McKenna, is 77B not the interview of Congressman Hansen alone, sir?

A. That is what it purports to be.

Q. Do I ask Congressman Hansen, on page 32, what happened to the $87,000 profit?

A. It appears that that is Mr. Cole, by this transcript.

Q. I beg your pardon. Did my colleague, Mr. Cole, or did I, I am not sure it was Mr. Cole --

A. The transcript seems to read that way.

Q. Did one of us, on the top of the page say, "Question: Do you know what happened to all the money? Was the $87,000 that was remaining after the $125,000 margin call was taken care of, do you know what happened to that money?"

What was Congressman Hansen's answer, Mr. McKenna?

A. "I sure couldn't tell you, but I am sure that she had plenty of debts to satisfy."

Q. Please turn the page, sir. On page 33 do I not ask or Mr. Cole not ask, "Was it the mechanics as far as how to do it would that be the mechanics of wiring, and now are we not talking about the margin?"

Does Congressman Hansen not answer, "Basically, it was a Boy Scout effort on the part of me, with Mr. Garvin as to -- because I knew him a little better than I knew him, as to how you do something like this, and to see what the process was and maybe advise him a little bit about it which she could have done but it didn't need two phone calls for one to do it. So that was also a very, very routine thing and it didn't signify that I had any kind of controlling factor over what she was doing."

Do you recall those two statements by Congressman Hansen, Mr. McKenna?

A. Yes.

Q. As you sit here, Mr. McKenna, what happened to that $87,000?

A. I am not sure I know. I know it was deposited in a joint account and it was expended thereafter, and I know nothing further than that.

Q. Mr. McKenna, in preparation for this trial, did you not know that the use and the benefit of the $87,000 would be a crucial issue?

A. I still don't think it is.

Q. You still don't think it is. As you sit here now, you have no idea what happened to the $87,000?

A. No, sir.

Q. Did you specifically tell Mr. Hansen that he didn't have to report the Bunker Hunt loan in 1981?

A. I don't think so.

Q. Did you specifically tell Congressman Hansen that he didn't have to report the Virginia loans?

A. Yes.

Q. Now, were you aware, sir, when the Virginia loans were made?

A. No.

Q. Did you know --

A. I was aware they were made on or before December 31st, 1981.

Q. You were aware then?

A. It would not have been a problem unless they were within the reporting year.

Q. Excuse me, sir. The question is when did you first find out? I had understood from your direct that you found out just before the 1982 form was filled out. Maybe I misunderstood.

A. No, no. I think we are at cross-purposes. I was answering the question, when the loans were made. I thought that was the question you were asking. I said, "I was unaware of when they were made other than they had to have been made on or about December 31st or they would not have been a subject for discussion."

Q. I guess we were at cross-purposes. Mr. McKenna, when did the existence of those loans first come to your attention?

A. In May, 1982.

Q. If I may use a Government's Exhibit which is a chart. It is fair to say, sir, when Congressman Hansen received $25,000, pursuant to a note to a Mr. McAfee and Mr. Rogers, on July 17th, you didn't hear about that for about ten months?

A. That is what I just said.

Q. The $60,000 note dated August 14, you didn't know about that for nine months?

A. Whatever the time differential is.

Q. The $50,000 loan from Mr. Meade, about six months?

A. December or November.

Q. Did you know at the time that Congressman Hansen was having dealings with individuals named Meade, McAfee and Rogers?

A. I knew Mr. McAfee, from visiting the office on several occasions. I knew Mr. Meade casually. I had met him, my recollection is, on one occasion, in the office, and I passed Mr. Rogers on one occasion, without knowing him.

Q. Did you have any idea that they were involved in a hydrogen car back in 1981?

A. I knew that there was some kind of a project involving the utilization of hydrogen as a fuel.

Q. Did you know of Congressman Hansen's efforts at the Pentagon, on behalf of Messrs. Meade and McAfee?

A. I knew he introduced them to the Secretary.

Q. Did you know it at the time of the introduction?

A. Oh, sure.

Q. Did you know, on that particular day, Congressman Hansen deposited a $25,000 check from Mr. McAfee?

A. No.

Q. That you didn't know?

A. No.

Q. Do you know of any efforts of Congressman Hansen, at the Pentagon, on behalf of McAfee and Meade?

A. All I know is that he introduced them and later complained to the Pentagon about treatment of employees of the Pentagon by reason of their involvement in the thing.

Q. How many calls did Congressman Hansen make to the Pentagon on behalf of these Virginia fellows, do you have any idea, sir?

A. I have no idea how many calls he made on behalf of the Virginia people. I know of one call he made on behalf of the employees.

Q. Do you know of a call that Congressman Hansen made to the Pentagon on Monday, November 23, 1981, the day after he returned from Mr. Meade's farm with $50,000 from Mr. Meade, do you know about that, sir?

A. No, I am not aware of it or I don't remember it.

Q. Did you learn, sir, that the water car was deemed to be a hoax?

A. Out of prior experience, I had thought any hydrogen fuel at all was a hoax.

Q. You yourself thought the project of Mr. Meade and McAfee was a hoax?

A. No. I said I thought all of those things were a hoax. I didn't even know it had to do with an automobile fuel type of operation at all.

Q. In the summer of 1981, you didn't know what Congressman Hansen was doing was lobbying the Pentagon on behalf of a "water car"?

A. I still don't know that.

Q. There was some talk about a book, sir, about the IRS, and I think you chaptered the last two, or you wrote the last two chapters?

A. I drafted them.

Q. The book was a personal venture of Congressman Hansen, was it not?

A. He financed it, yes, sir. He wrote it. I would assume it is called a personal venture.

Q. When the book hit the book stands and books were sold, the royalties went to him?

A. That is the normal system.

THE COURT: Excuse me. Is the answer, yes, sir?

THE WITNESS: Yes, ma'am.

THE COURT: I understood.

BY MR. WEINGARTEN:

Q. He deducted his expenses for the book on his tax return like a normal person would, on a personal venture?

A. I have never seen it, but I would assume that any sensible person would do that.

Q. Do you know that in August, 1981, he told a banker that he was going to pay off a personal loan with monies he was going to receive from his book?

A. I told you, I was not aware of those transactions at the time they occurred. How could I know what you are asking me?

Q. Do you know that in 1980, he sold the rights to the book to Simon & Schuster and Simon & Schuster retained the rights to the book until 1984?

A. Yes, sir.

Q. And under that agreement Congressman Hansen received royalties when the book sold?

A. To be more accurate, if the book sold.

Q. If the book sold. Mr. McKenna, as far as Count 1 of the indictment is concerned, the $135,000, the real issue is it not, is whose money was it, if it was Congressman Hansen's personal money he had to report it, is that not correct?

A. I think so.

Q. That is the issue, is it not?

A. Yes, sir.

Q. That is a fair statement?

A. Yes, sir.

Q. By this chart, Congressman Hansen began making expenditures in November, 1981, to ACT, is that not true?

THE COURT: That chart is what, for the record?

MR. WEINGARTEN: Defendant's Exhibit 87.

MR. LEWIN: We forgot to move that into evidence. If we can do that now.

MR. WEINGARTEN: No objection.

THE COURT: It is in evidence.

(Whereupon, Defendant's Exhibit No. 87 was received into evidence).

THE COURT: I am sorry. The question was lost in the exchange.

THE WITNESS: Yes, you lost me.

BY MR. WEINGARTEN:

Q. The expenditures Congressman Hansen started making personally for ACT started in 1981?

A. Yes, sir.

Q. Of course, the loans are dated or the monies were received July 23rd, to start with, and how many months before November is July? It is five months, is it not, July, August, September, October, November?

A. Sir, I can't argue with your mathematics.

Q. It is fair to say, is it not, that the $25,000 was received about five months before the first check; the $60,000 was received about four months before and the $50,000 was received about the same time?

MR. LEWIN: I hate to quarrel with Mr. Weingarten's arithmetic, but I think July to November is four.

THE COURT: What would we do without our hands?

BY MR. WEINGARTEN:

Q. We are talking about July to November, that is the time span?

A. We are talking about July to November, however many months that is.

Q. Who signed the notes, the notes to Mr. McAfee, Meade and Rogers?

A. Mr. Hansen.

Q. Who signed the collection to pay off these notes?

A. George Hansen.

Q. And interest was paid, was it not?

A. Yes, it was.

Q. The interest was written off Congressman Hansen's tax return, was it not?

A. That I don't know, but I would assume it was.

Q. Did Congressman Hansen tell the accountant, who did the books for ACT, that monies had come in from three individuals named Meade, McAfee and Rogers?

A. I do not know. I think it is less likely, since he didn't tell me.

Q. Okay.

MR. WEINGARTEN: Could I have Stipulation No. 11, sir.

BY MR. WEINGARTEN:

Q. Mr. McKenna, a stipulation has been reached by the parties that reads as follows: "It is hereby agreed and stipulated by the parties, that the $25,000 that George V. Hansen received on July 23rd, 1981, from Messrs. McAfee and Rogers, the $50,000 that George V. Hansen received on August 19th, 1981, from Messrs. McAfee and Rogers and the $50,000 from George V. Hansen received on November 21, 1981, from John Meade, were deposited in an account in the Riggs National Bank of Washington called the George Hansen Reach Account and were withdrawn within one week of each deposit by George V. Hansen, through checks written by George V. Hansen. The payments made by these checks were not related to the Association for Concerned Taxpayers."

Do you quarrel with this stipulation, sir?

A. I have no knowledge to controvert it or to endorse it.

Q. Mr. McKenna, what happened to the monies that were received by Congressman Hansen on July 23rd, August 19th, and November 21? What happened to that money?

A. Right there.

Q. How do you know that, sir?

A. How do I know it?

Q. Yes.

A. The Congressman borrowed money for a specific purpose, put money into that specific purpose, either identical to or greater than the money he borrowed for that purpose, and there is, to my mind, an identity of borrowing and purpose.

Q. Mr. McKenna, you are aware, sir, that that money went into the George Hansen Reach Account, the 135 that is represented on that board, you are aware of that, aren't you, sir?

A. You have just read to me a stipulation. I am aware of it.

Q. You were aware, before you came to court, that that is in fact what happened?

A. No.

Q. Mr. McKenna, you are testifying that you had no idea that the Virginia money went into George Hansen's Riggs' account?

A. Don't misunderstand me. I am not surprised, and I have always assumed that it went into a George Hansen account.

To the narrow question of which account or on what occasion, no, I had no specific knowledge.

Q. Did the money sit in a CD or a separate account waiting for ACT to get off the ground?

A. You just read to me a stipulation. Obviously it did not.

Q. He spent the money. How many times can you spend money, Mr. McKenna?

Can you spend the same money twice?

A. I don't know. I don't appropriate for the government but in normal circumstances I would guess not.

Q. But if he spent the money that was given to him, given to him in the summer of 1981, in large part, how could that money remain in November, 1981, all the way to March, 1982? How can you spend the same money twice, sir?

A. The answer to that, I suppose, is if you put it in a CD you are not getting the same dollar bills you put in either.

Q. Did he put the money in a CD? You would know if he did?

A. You read me the stipulation, and I have no knowledge to controvert it. Therefore he did not put the money in a CD.

Q. Let me ask you something, Mr. McKenna: If Congressman Hansen spent the money that he received on July 23rd within a week, could that money be the same money that he used to finance ACT?

A. It couldn't be the identical money. Nor could it, if he had put it in a CD.

Q. You see no difference there?

A. Of course I see a difference.

Q. If he used that money for other purposes and that money was gone, it was no longer his, could he then use that same money for something six months later? Of course not?

A. You are asking me an obvious and I am answering it as well I can.

MR. LEWIN: Objection.

THE WITNESS: It is obvious that he cannot give these dollars to somebody and then give the same dollars to somebody else. That is an obvious, and I agree to it and have agreed to it three times now.

BY MR. WEINGARTEN:

Q. If he put the money in a CD that money would remain there and he could use that money six months later?

A. Yes, he could use the recovery six months later.

Q. Now, Mr. McKenna, as you sit here, as his friend, as his counselor, as his workmate, what did the man do with the 135 that he received from the Virginia people?

A. Are we asking the same question the fourth time now?

Q. Do you know the answer?

A. I know what you read me in a stipulation. I have testified I do not have specific knowledge of his personal finances.

Q. Mr. McKenna, the real money that was used on this chart was March-money, March 1982, to correspond with the mailing, is that a fair statement? The large majority of the $134,498.35 was put into ACT by Congressman Hansen starting on March 15th, is that correct?

A. Is this another stipulation? I don't know what we are discussing.

THE COURT: It is a question.

BY MR. WEINGARTEN:

Q. Is it a fair statement, when was most of the money put into ACT by Congressman Hansen?

A. I am sorry. You are asking a simple question.

Q. Simple question.

A. When the large bulk of the money was put in.

It would appear to be between 3-4 and 3-24.

Q. 3-15, is it not?

A. I am sorry, 3-15. It is hard to read the lines across.

Q. Is it fair to say we are talking about nine days here, in March of 1982?

A. 3-15 to 24 is ten, but I don't want to get into that.

Q. Ten plus ten is 20, plus 15 is 35, plus 15 is 50, plus ten is 60, plus 96 will say is 70, 80, 86, let's say $95,000 was put into ACT by Congressman Hansen on those ten days, is that a fair statement?

A. Yes, sir.

Q. That is what the defense exhibit reflects?

A. Yes, sir.

Q. Mr. McKenna, are you representing to the jury that to your knowledge that $95,000 came from the Virginia money?

A. You mean that it was identical money?

You mean identical money, no, I never intended to represent that to the jury at all.

Q. Was the original source of the money the Virginia money?

A. Yes, I think so.

Q. Are you aware, sir, that on March 2nd, 1982, that Congressman Hansen opened an account at the Commerce Bank of Idaho entitled the George Hansen ACT account?

MR. LEWIN: We object to that, if counsel is making some kind of assertion, I would like to have a proffer at the bench.

THE COURT: All right.

(Bench conference)

MR. WEINGARTEN: I represent that on March 2nd, 1982, George Hansen opened up an account in the Bank of Commerce in Idaho called the George Hansen ACT account and thereupon borrowed $90,000, the first two weeks of March, 1982.

MR. LEWIN: It is your representation, Mr. Weingarten, that the $90,000 that he borrowed was in that George Hansen ACT account, is that your representation?

MR. WEINGARTEN: I am representing that he borrowed the money. I am representing that he opened the account and that he borrowed the money from that account and we have the banker to come up and testify on the stand.

MR. LEWIN: And I am advising the Court that my understanding is that there was an account opened but that $90,000, or no part of the $90,000 was put into the George Hansen ACT account in Idaho.

There was an ACT account in Idaho. It did not have the $90,000 in it. If what Your Honor wants to do is have the banker come in, let's have him come in and let's have a voir dire or presentation of evidence regarding the banker before the assertion is made to Mr. McKenna.

THE COURT: Do you have any records there?

MR. WEINGARTEN: I sure do.

THE COURT: Mr. Lewin, perhaps this will expedite matters. Are these exact copies?

MR. WEINGARTEN: This is what we got from the subpoena.

MR. LEWIN: May I see those, please?

THE COURT: Surely.

MR. LEWIN: Yes, Your Honor.

THE COURT: All right?

MR. LEWIN: Yes. It is entirely consistent with exactly what I have told Your Honor. And I submit if the banker gets on the witness stand, we will have this evidence. What happened was that Mr. Hansen opened the account in Idaho, what we call an ACT account. The ACT account was opened on a date in the beginning of March, March 1, 1982. There was also taken from the Bank of Commerce, and not put into the ACT account, there was in no way money that went into the ACT account or had anything to do with it, a loan or loans, these are notes, in the amount of $90,000 which went to other bank accounts and were used for other purposes. It was not in the ACT account in Idaho.

If Your Honor wants to put the banker on the stand, I submit Mr. McKenna will be here later, we can hear from the banker. If in fact what Mr. Weingarten said is true, he can confront Mr. McKenna with it then if he wishes. If what I say is true, it is not a basis for confronting Mr. McKenna and not a basis for submitting it to the jury.

THE COURT: If Mr. McKenna doesn't know about it he doesn't know about it.

MR. LEWIN: Again, this is Mr. Weingarten's technique. He makes assertions.

THE COURT: The jury will hear you. The whole purpose of the bench conference is so that the jury will not hear you.

MR. LEWIN: The reporter said she couldn't hear.

THE COURT: Yes, but that was a different reporter.

MR. LEWIN: I am trying to make sure what I say goes on the record.

THE COURT: I agree with you it should go in the record. All right. If the jury hears it, the jury hears it.

MR. LEWIN: What I am saying, Your Honor, is that Mr. Weingarten has a technique, and I am going to interfere with his technique, of making assertions of fact, which I submit are not true. In this case, if his assertion of fact is true, he should be able to ask it to Mr. McKenna. I submit my assertion of fact is true.

There are two separate transactions. There was the opening of a local account in of Idaho, which did not contain $90,000, did not contain the proceeds of these loans. There was a separate loan, a series of loans, which were used for other purposes and given to other bank accounts. And therefore it has nothing to do with this case. It shouldn't be presented. It is not relevant evidence in this case and it certainly shouldn't be confronted to Mr. McKenna.

THE COURT: Is your chart dealing with March of 1982?

MR. LEWIN: Yes, ma'am.

THE COURT: For those periods of time, counsel talked about whether it is nine days or ten days, but for that period of time in March from the 15th to the 24th?

MR. WEINGARTEN: I represent to the Court that we subpoenaed this account because we had a lead from other accounts. The banker was in my office for the first time this morning. He told me that George Hansen borrowed $90,000 for his tax promotion program. He represented to me that that is the money. He represented to me that George Hansen opened an account on March 2nd. I think I can go into it with this witness. I represent to you the witness is subpoenaed. If he doesn't know, we are certainly going to put him on in rebuttal.

MR. LEWIN: They are two seperate things. I don't know what questions Mr. Weingarten asked him, and I am not disputing the fact, but as I say, I told Your Honor when we came up to the bench that my understanding was an ACT account as opened on March 1, 1982. It did not contain any proceeds of any $90,000 loan.

MR. WEINGARTEN: What happened to the $90,000 as far as you understand?

MR. LEWIN: That is not relevant to this case, what happened to the $90,000. The fact of the matter is, there was a $90,000 loan taken out, which was used for other purposes. We don't have to demonstrate that it was, but it was used. I have bank records. There is no reason for it to come into evidence in this case.

The March checks that are in here are not from this bank.

MR. WEINGARTEN: Are you suggesting, Mr. Lewin, that you wouldn't object if we trace the monies?

MR. LEWIN: I don't know what you did, Mr. Weingarten. I am telling you that with regard to the relevance of this matter to this case, I submit it is not relevant, and I submit that the statement that you made, the representation you made to the Court, is based on your misunderstanding of the facts. I am not saying you did it deliberately but I am saying you don't understand what happened in March.

THE COURT: Gentlemen, would it help if both of you went outside of the courtroom and talked to the banker, if he is here, for a moment?

MR. WEINGARTEN: Probably not.

THE COURT: It probably would not help?

MR. WEINGARTEN: I am sure it wouldn't.

MR. LEWIN: I submit the proper course is if the jury is excused, and Mr. Weingarten wants to go into this he can put the banker on the stand and ask him the questions. I will examine him on voir dire to see if in fact there is some relevance between these documents.

MR. WEINGARTEN: Does he know about this loan?

MR. LEWIN: Does he know about the loan?

THE COURT: Both of you, gentlemen, please, keep your voices down.

MR. LEWIN: I think he does not. I think he does not, but that is why you can't make any assertions of fact in the questions you ask him.

MR. WEINGARTEN: I submit that the $90,000 spent in March was the same $90,000 obtained from the bank.

MR. LEWIN: If you want to ask him, Mr. Weingarten, without asserting any facts whether there was a $90,000 loan obtained by Mr. Hansen, whether that affects his judgment, that is something else.

THE COURT: Mr. McKenna has testified that he had much activity himself with ACT. It would seem to me that he would know if there was any banking accomplished with ACT. If he did not know it, that makes the case all the more interesting. If he did know, he can tell us what happened.

I think the question could be phrased in that manner. We can get off this particular problem that we have here at this time. Obviously if he knows, if he starts talking about this, then that is okay, and you can do what you have to with it, Mr. Weingarten. If he doesn't, you may have to bring the banker in and use him for rebuttal, if you think that is appropriate, because he has talked about his personal involvement and he was an originator.

MR. LEWIN: He is one of three directors.

THE COURT: That is what I am saying. I used the word "originator", but in any event one of the three directors. Certainly he should know exactly where the money went and what happened to it.

(End of bench conference)

BY MR. WEINGARTEN:

Q. Mr. McKenna, I think when we were last talking, we established that about $95,000 of the monies expended by Congressman Hansen into ACT were placed by Congressman Hansen between March 15th, 1982, and March 24th, 1982, is that correct?

A. Yes, sir.

Q. Are you aware, sir, that Congressman Hansen opened an ACT account in the Bank of Commerce in Idaho on March 2nd, 1982?

A. I am of aware it now. I was not aware of it at the time.

Q. When did you become aware of it?

A. Today.

Q. When today?

A. I apologize. Yesterday.

Q. When yesterday?

A. Early in the day, before I testified.

Q. How did you become aware of it, sir?

A. Somebody mentioned that there was a Bank of Commerce account that was going to be involved here.

Q. Who mentioned that, sir?

A. I don't remember, quite frankly. I think it was somebody said a messenger arrived with material from the Bank of Commerce or something.

Q. Did you learn that Congressman Hansen borrowed some money from the Bank of Commerce in March, 1982, sir?

A. No.

Q. You never learned that? As you sit here today, do you know whether or not Congressman Hansen borrowed money from the Bank of Commerce in March, 1982?

A. I have no way of knowing that.

Q. You have no idea about that?

A. No.

MR. WEINGARTEN: No further questions.

THE COURT: Redirect.

REDIRECT EXAMINATION

BY MR. LEWIN:

Q. Mr. Weingarten asked you about maintaining funds that were obtained from Virginia in a certificate of deposit, for example, for them to wait to be used until March of 1982. Do you have any idea what the interest was on certificates of deposit at that time?

A. 12 percent, 12 and a half, sometimes as high as 13, if you are lucky.

Q. It is a fact, is it not, that these notes, which have now been introduced in evidence from Mr. McAfee, Rogers, Meade, bore interest rates of 20 percent or prime plus one percent?

A. Two of them were 20 and one was prime plus one.

Q. So that if they were held in a certificate of deposit, it would simply be a losing proposition, you would be paying out more interest than you would be getting from a certificate of deposit?

A. You would be paying out the difference of one over the other over the term of however long they were both outstanding.

Q. In terms of collection and payment of funds, what does the word "fungible" mean? Does it have sort of a legal significance?

A. Well, it does. I guess in this circumstance, it means that it is non-identifiable. They say money is fungible and what they mean is that there is no specific piece of currency that is identifiable, and the free substitution of one amount for another is unnoticeable by the law.

Q. So that if I give you a $5 bill today and ask you to go out and by a book for me and bring it back next week, my expectation is not that you are going to be using the very same $5 bill when you buy the book next week?

A. I would think not.

Q. Indeed, you might spend that $5 bill and get something next week?

A. I think your expectation would be irrelevant any way.

Q. Indeed, you might borrow the $5 from somebody else the next week before you buy the book?

A. Yes, sir.

Q. Now, Mr. Weingarten asked you about hypotheticals -- about a property separation agreement which was a fraud or if people never separated their property. Could you just tell us whether your understanding was that there was any obligation, under the property separation agreement, for these people to separate their property?

A. Not according to my understanding of that agreement.

Q. Does the agreement become a sham or a fraud simply because they chose voluntarily to keep their property together?

A. I know of no context which makes that document a sham.

Q. Is it possible to carry out such an agreement and for it to be valid, according to its terms, even if the property isn't separated?

A. I expressed in direct testimony, and I attempted to express in cross-examination, that the subsequent activities of the parties has no bearing on the validity of the document, if the subsequent activities of the parties is in accordance with their legal rights, there is no one outside the union who can complain about it.

THE COURT: Outside the union?

THE WITNESS: The marriage union, Your Honor.

BY MR. LEWIN:

Q. Mr. Weingarten asked you whether there was ever any answer to the letter to Congressman Preyer, and you answered that there was not, to your knowledge. On what basis did you conclude that the House Committee had some obligation to respond?

A. On the basis of the Act itself, which I believe puts an affirmative duty on them to respond to a statement that I have filed, that I have performed an act required under that statute; having performed the act required under that statute, the Congressman brought that act to the attention of the committee and then subsequently wrote them a letter saying, "I am relying on this state of facts in filing my form, and I ask you to tell me whether I am right or wrong."

I believe they had an affirmative duty to decide right or wrong and tell him at that point.

Q. Does the law assign responsibilities within the Congress to any particular subdivision of the House of Representatives?

A. The Ethics in Government Act?

Q. Yes, the Ethics in Government Act.

A. The Ethics in Government Act assigns that responsibility to the Committee on Standards of Official Conduct.

Q. In 1978, where were those responsibilities? Not under the Ethics in Government Act but under the predecessor?

A. In the same place, under a pair of names. The Select Committee on Ethics still existed but the House Committee on Standards of Official Conduct also existed so House Ethics

Committee, in essence.

Q. On May of 1978, the letter we have been referring to, Defendant's Exhibit 38, do you still have that before you?

A. Yes, sir.

Q. The last page of that letter shows that copies thereof were sent to various individuals, were they not?

A. Four members of the Congress are carbon copied on the letter. All of them are members of supervisory committees to the Ethics Committee and to the Standards of Official Conduct Committee, Congressmen Wiggins, Frenzel, Flynt and Spence.

Q. And the letter itself went to Congressman Preyer. So the letter went to the chairman of the Select Committee on Ethics, the ranking minority member of the Select Committee on Ethics, another member of the Select Committee on Ethics, the chairman of the Standards of Official Conduct and to Congressman Floyd Spence, who was then the ranking minority member on the Committee on Standards of Official Conduct, is that correct?

A. That is correct.

Q. Congressman Floyd D. Spence, will you open up that red book that you have before you, and just on the inside page, the Committee on Standards of Official Conduct, could you tell us who is the ranking minority member of that committee today?

A. The same man, Floyd D. Spence.

Q. So he received a copy of that letter on May 9, 1978?

A. Yes, sir.

Q. It is that committee which has supervisory responsibility in the Congress over the submission of these reports today, Is that correct?

A. That is correct.

Q. Now, Mr. Weingarten asked you whether you gave specific advice to Congressman Hansen with regard to the form filed in 1980 and 1981, in other words, the forms relating to the silver transaction and the form relating to the loan from Nelson Bunker Hunt, and I believe you replied you did not. You didn't recall that you gave specific advice on those particular transactions?

A. That is correct.

Q. Tell us, Mr. McKenna, on the subject of spousal property, the property owned or liabilities incurred by Mrs. Hansen, by 1980 and 1981, in Congressman Hansen's office, was it necessary to give specific advice on those particular kinds of questions?

A. The subject had been discussed. A conclusion had been reached. The matter was considered closed as far as we were concerned. By "we", I mean both myself and Mr. Runft. It would not surprise me that the Congressman would not consult us on individual items pursuant to the advice that he had been receiving for four years at that time.

Q. Was there any condition or any qualification whatever to the advice that you and Mr. Runft had been giving him previously concerning property or transactions which Mrs. Hansen had engaged in or received, property received or transactions she had engaged in?

A. Only were that they joint, they would not drop out, under our consistent advice under the rule.

Q. But if it was her transaction, it was her note, as in 1981, there was no question about that?

A. Right or wrong, it has been our consistent opinion that the arrangement under the Idaho community property law exempted Mrs. Hansen as an independent economic entity as reports from under that act.

Q. A transaction such as a the silver transaction, which she alone was the person on the papers, was also "dropped out", is that right?

A. As far as we were concerned, it was a closed issue.

Q. You have had some questions from Mr. Weingarten about the matter of the hydrogen car and the Secretary of the Army and all that. How common is it, first of all, in Congressman Hansen's office and, second of all, in the Congress generally, to make appointments for constituents or others with Pentagon officials or officials in government agencies?

A. It is a daily occurrence.

Q. It is done without any fanfair or without expecting anything in return?

A. You just hope the people will go away, but you make the appointments for them.

Q. Congressmen go with them to the original, even at times, to the original meeting and then leave after the introductions, is that common?

A. Get away as quickly as possible, yes, sir.

Q. You said that your recollection is that the second call, or not the second call, the other time that you recall that Congressman Hansen was involved with it, he was involved on behalf of the employees. Now, can you just elaborate on that a little bit more?

A. The only thing I know about the transaction was that these two entrepreneurs, McAfee and Rogers, had asked the Congressman to get them an appointment with the Department of the Army for the specific purpose of asking the Army to evaluate some scheme that they had. The Congressman made that contact, got them in to see the Secretary, and their suggestion apparently, at some time during that negotiation, was that they would pay the expenses of personnel employed by the Army to make a trip to, I believe it was Australia, to view a hydrogen farm and make some kind of expert determination as to the validity of this idea.

It came about, or at least the Congressman felt it came about, that two men who had volunteered to do this on their own time, at the expense of these entrepreneurs, had suffered some career damage by reason of of their volunteering. It was that call that I am aware of, that he called to an agency within the Department of the Army -- I am not even sure which one -- and complained about it -- that these men should not suffer for volunteering for this operation, for this expert analysis. That is all I know about the thing. I do not know what the validity of hydrogen farms are or anything else.

Q. Now, at the conclusion of your cross-examination, Mr. Weingarten asked you whether you had any knowledge of the opening by Congressman Hansen of an ACT account in Idaho in March of 1982, and you replied you learned about that yesterday morning. It is a fact, is it not, you learned about that yesterday morning because I told you that we understood the government had received some information concerning the opening of that account?

A. That is probably the information. I wasn't sure where I got it, but I know I had heard it in conversation.

Q. That was the full extent of your knowledge before you got on the witness stand and to this moment?

A. That is all I know of it.

Q. Now, Mr. Weingarten also asked you whether you knew anything about Congressman Hansen taking out a loan in Idaho in about March of 1982. Is that right?

A. He did.

Q. Let me ask you hypothetically, assuming that there had been a loan in March of 1982 to Congressman Hansen of some amount, and assume you had known it in May of 1982, and Congressman Hansen had said, "I personally took out a loan in Idaho at about that time," would that have made any difference in terms of your legal judgment concerning whether that should appear on the Ethics in Government Act form?

A. I don't think so, because it is my view, and was my view, that however he acquired $125,000 or $135,000, whichever is the correct figure, and having derived it, upon a representation that he was going to do this thing, organize this drive, that he did that thing at a subsequent date and there is substantial reason to know that he did it and expended monies equal to the monies he got, I think that it would be an irrelevancy whether over the course of time that money rolled over, when the time came to expend it, he expended it in accordance with his commitment to his sources, I am not sure there is any relevancy to the question of whether or not the money is the identical amount of money.

Q. Even if it were borrowed from some other source prior to the time it was spent?

A. I am becoming convinced that there is no relevancy whatsoever to the source of the money, other than by theft or something.

Q. One other question that occurs to me that Mr. Weingarten did ask you, and I should ask you about, has to do with the book. Mr. Weingarten asked you whether that book was printed and initially sold for purposes, with the expectation of receiving personal profit, and I believe you replied yes?

A. Yes, sir, I did.

Q. Was it also true that as of 1981, that book was, in addition to the profit objective, also intended to be used by Congressman Hansen in the non-profit aspects of the Association of Concerned Taxpayers?

A. Yes, but it was non-profit in both areas.

Q. One deliberately and the other one unintentionally?

A. Yes, sir.

Q. Do you believe use of a book or a venture, does that raise any problems to you as a matter of law? Is there any legal obstacle, any legal hindrance to using a book initially for profit purposes and then secondly, at a later time, also for non-profit lobbying or other efforts?

A. I see no legal prohibition of it.

MR. LEWIN: Thank you.

RECROSS EXAMINATION

BY MR. WEINGARTEN:

Q. Mr. McKenna, if you give me $1,000 today and tomorrow I go out and spend that money, and six months later I spend another $1,000, are you telling the jury that it is fair to say that six months later I am spending your money?

A. I don't know enough from that kind of example to even give you an answer. You give me the money or you lend it to me, what is the context of such a question?

Q. You give me $5 --

A. If I give you $5 I have no right to claim anything about it.

Q. Let's say you do, and I go out and spend it and six months later I buy a book for $5, am I buying that book with your money?

A. My money ceased to be my money when I gave it for you.

Q. Mr. McKenna, are you suggesting that what Mr. Hansen was doing with the 135 that he received from the Virginia boys was investing it in a high interest rate? Was that what he was doing with the money before he spent it?

A. Neither I made any such allegation, nor in response to yours or anybody else questions, did I ever suggest that.

Q. The 135 was gone before he put the money in here, or at least the first two loans were gone before he put the money in there. You know that, don't you, sir?

A. Mr. Weingarten, you persist in ignoring the nature of the money.

Q. Have you ever seen the Riggs account?

A. The Riggs account?

Q. Yes, Congressman Hansen's Riggs's accounts. Have you ever seen the monthly statements?

A. I don't think so. I might have, but I doubt it.

Q. If I showed them to you, perhaps would that trigger a recollection?

A. If I had seen them and I see them again, I might know, but I doubt if I have seen them.

MR. WEINGARTEN: This is marked Government's Exhibit 57C. I hope that is still a good marking.

THE COURT: I would certainly hope if it is marked 57C, it is still marked 57C. Is it?

DEPUTY CLERK: Yes.

MR. WEINGARTEN: It has not been introduced.

BY MR. WEINGARTEN:

Q. Mr. McKenna, I hand you what has been marked as Government's Exhibit 57C and ask you, sir, if you can identify that?

A. I know what it says here, and I don't think I have seen it and its companions before.

Q. I show you 57A and E and ask you if you can identify those, sir?

A. I would have to give you the same answer. I don't think I have ever seen these documents.

THE COURT: Is the answer you can't identify them?

THE WITNESS: I can't.

BY MR. WEINGARTEN:

Q. Is it fair to say that what those documents are are the monthly Riggs statements for the accounts in which those checks were deposited, is that correct?

A. They purport to be what they purport to be. I don't know.

Q. Mr. McKenna --

MR. LEWIN: Which checks? I didn't hear the question.

MR. WEINGARTEN: Monthly statements, July, August and November, Riggs account.

BY MR. WEINGARTEN:

Q. Is that what they purport to be?

A. Yes, they do.

Q. Are you suggesting, in the course of your involvement in this case, you never bothered to look at those monthly statements?

A. I didn't suggest it. I made a flat out statement.

Q. Was there a little conscious avoidance on your part?

A. There wasn't any conscious avoidance on my part, Mr. Weingarten.

Q. Was your testimony that the property separation agreement has absolutely no effect on the outside world -- no effect outside the marriage?

A. I didn't testify to that, sir. I testified in response to a specific question with regard to the inter-spousal relationships.

Q. Does the property separation agreement have any effect on creditors?

A. No, it has no effect on the obligation of obligors to the obligees.

Q. Is it fair to say, Mr. McKenna, if this document has any effect at all -- and the document wasn't filed of record, was it?

A. No, sir.

Q. It remained in Mr. Runft's office for seven years?

A. That is what I am led to believe, yes, sir.

Q. Isn't it fair to say, sir, if the document has any effect at all, it affects only the marital union?

A. And matters consequent upon that affect on the marital union.

Q. Was the Congress part of the marital union, sir?

A. The Congress is not part of a marital union, even of a congressman.

Q. Now, you said that when constituents and perhaps others come by looking for appointments, it is a routine thing, and you try to get rid of them as rapidly as possible, is that correct?

A. Consistent with courtesy.

Q. Are Meade, McAfee and Rogers constituents?

A. No, sir.

Q. Did Congressman Hansen try to get rid of Meade, McAfee and Rogers?

A. I would guess not, no. First of all, let me be clear, Meade, McAfee and Rogers do not exist in our office as an entity. I don't know that they have ever been in the office together.

Q. Are you aware of the fact that Congressman Hansen called up Odell Rogers looking for money?

A. No, I am not.

Q. Did Congressman Hansen think the water car was a hoax, sir?

A. I have no knowledge of that. I honestly did not discuss the hydrogen thing with Mr. Hansen. I was a peripheral observer to some parts of it.

Q. Mr. McKenna, if you knew that the $87,000 in silver profit was spent by Congressman Hansen, and Congressman Hansen alone, would your legal advice have been not to report that?

A. Sir, I was not solicited for legal advice at that time, and with the paucity of the information you give me, I would not give advice.

Q. Mr. McKenna, that loan by Congressman Hansen from the Bank of Commerce was transacted between March 2nd, 1982, and March 17th, 1982.

A. I am sorry, what loan?

Q. Mr. Lewin asked you a number of hypotheticals about a loan from the Bank of Commerce that may have been transacted by Congressman Hansen. I am following up, sir. Okay?

Let's start from the beginning. You learned yesterday that there was an ACT account opened in the Bank of Commerce on March 2nd, 1982, is that correct?

A. Everything except the date, I learned that there was such a thing, yes, sir.

Q. I want you to look at this chart. March 2nd, 1982, if you learned, sir, Congressman Hansen, thereupon, between March 2nd and March 19th, borrowed $90,000 from the Bank of Commerce, would your opinion, sir, as to where the money that was used in the ACT accounts came from change at all, sir?

A. I am sorry, does the hypothetical include that it went into these things?

Q. Do you know if it did, sir?

A. I don't know, sir. I testified that I didn't even know about the existence of the account.

Q. Are you saying, sir, that Congressman Hansen -- let me just ask one more question. If Congressman Hansen opened an ACT account in Idaho on March 2nd --

MR. LEWIN: The two things are totally unrelated. May we approach the bench again?

MR. WEINGARTEN: I think I can respond to his questions.

THE COURT: I think in light of the examination we have had on your examination, Mr. Lewin, Mr. Weingarten can ask the questions that he is posing.

You may ask again, Mr. Weingarten.

MR. WEINGARTEN:

Q. Mr. McKenna, if it is true that Congressman Hansen opened an ACT account in the Bank of Commerce of Idaho on March 2nd, 1982, and thereupon borrowed $90,000 between March 2nd and March 17th, 1982, at that bank, that you never knew about it?

A. I didn't know about it.

MR. WEINGARTEN: I have no further questions.

THE COURT: Mr. Lewin, anything further?

REDIRECT EXAMINATION

BY MR. LEWIN:

Q. Do you know anything about whether if there was an ACT account, some ACT account opened in Idaho in March of 1982, you say all that you knew was what I told you yesterday morning, is that right?

A. Yes, sir.

Q. In terms of a loan, if there was a loan made out in March of 1982, you don't know whether it had anything at all to do with any ACT account that was opened up there?

A. I don't know anything about it pro or con.

Q. Assume with me hypothetically, just hypothetically, that there was a loan made to Congressman Hansen in March of 1982, in Idaho, not related to any ACT account and not part of any ACT account, in the amount of $90,000.

A. Yes, sir.

Q. As of the beginning of March of 1982, would the existence of that loan in that amount, to the Congressman, change your view regarding the entry on the 1982 Ethics in Government Act form?

A. No, sir, the linchpins of my opinion were that he borrowed money for a specific purpose, he executed the purpose of that borrowing, and I think that if there were a rollover in between those two events, it would not be relevant. It would be relevant if he failed to fulfill the commitment that he made to the parties from whom he solicited, bought, borrowed or rented the money.

Q. So it would be irrelevant whether that money, in March, or what source that money in March, came to Congressman Hansen from?

A. I don't think it would be relevant.

MR. LEWIN: Thank you.

MR. WEINGARTEN: I have nothing further, Your Honor.

THE COURT: You are excused, Mr. McKenna. I would ask you not to discuss your testimony with any other possible witness in this case until this matter is concluded.

Ladies and gentlemen of the jury, I understand that your coffee and refreshments have arrived. We are going to take our midafternoon recess at this time. We will be back in about 15 minutes.

(Recess)

THE COURT: Mr. Lewin, can you give me an idea of what lies ahead, as we call the jury back in?

MR. LEWIN: Yes, Your honor. There are three exhibits that we have omitted really to offer into evidence, which we will be doing, and at that point, the defense will rest.

THE COURT: Is there going to be any discussion about those exhibits before the jury comes in or can we see if we can resolve that shortly?

MR. LEWIN: It is Exhibit No. 3, which is the calendar for 1981; Exhibit No. 41, which is the photostatic copy of Mr. Runit's page, which he identified. Somehow we did not move it into evidence, or the clerk doesn't show it is there, and then the chart, the blow up of the Jar-Mon memorandum. They are not the subjects of any controversy.

THE COURT: I take it there will be no problem with those.

Following that, is there going to be some rebuttal?

MR. WEINGARTEN: There will be. Mr. Lewin was kind enough to notify us of the decision that he would rest, as soon as he made it. We are, of course, scrambling at this moment. We expect two more witnesses this afternoon.

I know we just had a recess, but perhaps if we could have a little more time, I think perhaps we could even get all our rebuttal on today.

THE COURT: You mean more time now, or can we start with a rebuttal witness?

MR. WEINGARTEN: I think it would be easiest for us and most efficient if we could physically get downstairs and start talking to people.

THE COURT: Then we have a critical problem as far as tomorrow and the time difficulties that we have talked about already earlier on as far as counsel are concerned on both sides of the table, and how far we can go with the jury.

Let me ask you this up here at the bench. I think that would be more appropriate.

(Bench conference)

THE COURT: I take it, Mr. Lewin, that no matter what happens tomorrow, that it is appropriate for you to be home at sundown, and you cannot sit on a Saturday?

MR. LEWIN: That is correct.

THE COURT: There may well be some jurors who couldn't do it on a Sunday or Saturday for that matter. I don't know.

My obvious difficulty is that even with the taking of the time to go over the instructions, which obviously we can do after the rebuttal testimony is over, tomorrow if need be, we still have a weekend looming ahead. I cannot see how we can have closing argument and instructions, for example, tomorrow, even if we were lucky, and then keep them sitting all weekend long with nothing to do except pleasure and then come back on

Monday and start having them deliberating.

We could do that, but it is not the tidiest way of handling the case. Alternatively, we can do the closing and the instructions on Monday morning, until the early part of Monday afternoon, and then just keep them deliberating until a reasonable time on Monday evening, start again on Tuesday and continue from there, if need be. It is a practical problem.

It is not just you. Mr. Weingarten has his own problem.

MR. LEWIN: Absolutely. It appears to me if in fact we can conclude the evidence today, which the government is indicating, if we stayed tonight to talk about instructions, it is a case which even though it has taken two weeks, I think there are, you know, a couple of critical instructions, I think if we were to get together tomorrow morning even at 8:30, and begin the argument -- I don't know how much time Mr. Weingarten is planning -- I would think we could do argument tomorrow morning, and Your Honor might instruct the jury, and the jury could go out.

Let me explain my problem. I cannot, as a matter of conscience, work after sundown on Friday. However, if the jury is instructed and is out, frankly, what I would do is I would take a hotel room downtown. Mr. Campbell and Mr. Braga are around so, just in order to be present, I would be available. I could walk in terms of the premises, and the jury would be out, and I could consult with them and they could make whatever statements needed to be made in terms of the record.

I could not appear in court in that sense, but I could walk to the courtroom.

THE COURT: Excuse me. What I was thinking, of course, is what if you have a note from the jury, a question to answer, a re-reading of one of the instructions, I mean, the usual things that happen in any kind of jury case, sometimes critical, sometimes very innocuous, decisions to make during that course and then when the jury comes back and gives its verdict, whatever?

MR. LEWIN: Sure.

THE COURT: Are you saying that if we got it in somewise, and I am not certain we can, but if we did get it in somewise to the jury tomorrow we could not let them deliberate, presuming the time is being used up for going over the instructions, for the closing arguments and for the giving of the instructions, and then we start them deliberating on Saturday morning?

MR. LEWIN: Or tomorrow afternoon. If the deliberations continue tomorrow afternoon, I will, as I say, take a hotel room nearby and just be available. If there were anything from the jury, I would walk over here. I might want to consult with Congressman Hansen on that, but I think from discussions I have had with him that that would be acceptable to him. That would enable us not to have the case hang over the weekend without anything.

THE COURT: That is true. That would be fine in one way. I already alerted the staff that it might be necessary to open the courthouse on Saturday for this purpose, and I wanted to give them front notice in case we had to do it.

On the other hand, we have Mr. Weingarten's situation. And how extensive that is or how long it would take, I don't know. I haven't explored it because I knew he had to leave at a certain time on Friday. I also knew that there was a request that if there would be a closing argument, that he be here to make the closing argument.

MR. LEWIN: Absolutely.

THE COURT: I want to accommodate both of you and your situations. If necessary, I will keep the jury over the weekend and we will finish it up on Monday.

MR. LEWIN: I don't know with the question really is to me. If we get everything done this evening --

THE COURT: I am not sure we can finish the instructions, but we might be able to finish the testimony.

MR. LEWIN: If we meet early tomorrow morning, even on instructions, if Your Honor meets with counsel, I don't know how that works out, at 8:00 in the morning --

THE COURT: It is not going to be 8:00 in the morning. I live 20 miles out. Five inches of snow has been predicted for tomorrow. I have to talk to my marshal about how I am going to get in and out. It was a feat of effort to get here this morning. I got here because I had this jury trial.

MR. LEWIN: I understand that. If it were possible for us to meet in the morning and then to have the arguments before, I think Mr. Weingarten said it was about 12:30 he had to leave.

MR. WEINGARTEN: My wife's consultation is scheduled for 12:00. She is having tests done. It is possible they are going to say, "we are going to have to cut." If there is going to be surgery tomorrow afternoon, I would like to be there.

THE COURT: You should be there. You will be there.

MR. LEWIN: Absolutely.

THE COURT: You will be there.

MR. LEWIN: I have no problem with that.

MR. WEINGARTEN: I think our preference, and I guess it is personal and we will accommodate anything, would be perhaps even to recess today, let us put our rebuttal on in the morning. We will refine it, get it down as best we can, and then, if I am back for instructions, great; if I am not, Mr. Cole can certainly handle it. Then we could come in first thing Monday. And take care of the case Monday. I am sure that is heavily influenced by my own personal situation. I am sensitive we have a jury here.

THE COURT: You have how many, three rebuttal witnesses, two?

MR. WEINGARTEN: I don't know.

THE COURT: More than one?

MR. WEINGARTEN: Yes.

THE COURT: Is it possible to put on at least one today so at least the jury doesn't think they are sitting here losing chunks of days? I also want them to, psychologically, feel we are moving ahead and so forth. I can certainly explain about tomorrow, that there is some technicalities we have to go through, it takes us some time, we are starting early, that kind of thing.

I can take a few more minutes recess now if that is critical to the situation, but I would like to see a little testimony tonight and then come back tomorrow morning.

What is my schedule tomorrow, free?

DEPUTY CLERK: Free.

THE COURT: We can start with the testimony at 9:30 tomorrow morning. I hesitate to say 9:00. If you look outside now, it is beautiful, but there is a difference between where I live and what it looks like outside here.

MR. WEINGARTEN: We will put on Gary Jarmin.

THE COURT: He is one of the names you had.

MR. WEINGARTEN: We will put him on, and we will proffer David Scott as the expert to return to clarify on espousal for tonight. If we do that and the Court starts at

10:00, I am certain that our evidence would be done by the time I would want to leave.

THE COURT: Even 9:30, so we are safe?

MR. WEINGARTEN: We are talking about bank records. I am sure we will have a fuss over it. We have our custodian. And we will make a proffer. If we get it, we get it in; if we don't, we will call him.

THE COURT: After we finish that, can we work with Mr. Cole on instructions?

MR. WEINGARTEN: I may be back. The doctor may say it can wait. In that event, I will come back.

THE COURT: I know, but you have to find out. In any event, at the very minimum, we will, with someone, go over the instructions tomorrow. How much time are you all going to be asking for your closing?

MR. COLE: A day and a half.

THE COURT: Well, you are already going to be cut.

MR. WEINGARTEN: A total of 90 minutes to do as we see fit and, I am sure we will complete it earlier than that.

MR. LEWIN: If we are doing it on Monday, we might as well do that.

THE COURT: For a case like this, I think it is important for both sides to have time to wrap it up. I will give you an hour and a half each, pray a little that you don't use it, but if you want to, you can. So that is a commitment I will make to you in that regard.

The instructions, it is a rare case that goes without at least half an hour, 35 minutes of instructions. It may be a little longer, the customary plus a few extras. I have been leafing through this, and I certainly see some modifications I will make. But I haven't had time to really look at them.

MR. WEINGARTEN: We are going to add a couple.

THE COURT: When am I going to see them?

MR. WEINGARTEN: Today.

THE COURT: How much time do you need me to take now?

MR. WEINGARTEN: Quarter after 4:00. We will be done by 6:00.

THE COURT: All right. We will tell the jury to stretch a little bit.

MR. LEWIN: Should we now discuss the question of Mr. Scott? I gather the government is proffering him again as an expert?

THE COURT: He would be on today?

MR. LEWIN: I, of course, objected to him as an expert the first time. I thought we were having him as an expert on the language of the statute. What is he testifying to this time?

MR. COLE: He will again testify to the statute. There is a substantial issue here as to the reading of the statute and the basis of the statute for support of legal advice, and Mr. Scott will come up to give an explanation to the jury of the legal ramifications of the statute and the basis of those legal ramifications.

THE COURT: Will this be rebuttal that will be challenging things that were said by Mr. McKenna and Mr. Runft?

MR. COLE: Yes.

THE COURT: Rebuttal is exactly that.

MR. COLE: That is what it will be.

THE COURT: Not a repetition of what we heard earlier?

MR. COLE: By no means.

MR. LEWIN: Legal arguments are to be submitted to the Court. I don't understand how an expert can put himself in the mind of John Runft or Jim McKenna. He is going to testify as to what the statute says, what he thinks the statute says. Are we then supposed to, in surrebuttal, bring back five people who will testify that they agree with Mr. Runft? I mean, he happens to be a government employee. I can probably find five lawyers off the street who will say, "No, I agree with Mr. Runft and I agree with Mr. McKenna."

We will be here all week with lawyers testifying to what they think the law says.

MR. WEINGARTEN: Mr. Runft testified he reviewed the legislative history, he studied the statute carefully. Mr. Scott's testimony, at the outset, was very, very general in nature. We think it is perfectly appropriate to hone in specifically on the issue of whether or not a property separation agreement of a couple that is living together is justification for not reporting property pursuant to EIGA. That is what he will testify to.

MR. LEWIN: Again, he is a lawyer. He is giving his current legal opinion. He never gave it to Congressman Hansen. The fact that he now comes around and says that is his legal judgment, as I say, that opens the door to our bringing in other legal experts, other lawyers, who are going to testify to the contrary. I don't think that is a proper issue. It is not a factual issue. It is not an issue on which expert testimony was taken.

I have never, in terms of law, there are experts on foreign law, who are in courts, but I have never heard of simply somebody getting up and saying, "I am an expert in reading the statute and I will tell you what the statute means."

MR. WEINGARTEN: An element of the "advice of counsel" defense is good faith, and that is what we are meeting.

MR. BRAGA: Good faith by Mr. Hansen.

MR. WEINGARTEN: That is not Mr. Joe Schmoe on the street; he is a law maker. EIGA does not contain one shred of support for that opinion.

MR. LEWIN: You have all the liberties, Mr. Weingarten, in cross-examining witnesses of saying there is not one shred of whatever it is, and you have said it. You can make that argument 50 times in your summation.

MR. WEINGARTEN: I would like to argue on facts once in awhile.

MR. LEWIN: These are legal opinions that you have, and a friend of yours who happens to be in the office of OPM has. I mean, a former colleague has.

THE COURT: Former colleague, that is what he said.

MR. WEINGARTEN: He is a friend.

MR. LEWIN: He is in charge of the executive as far as this is concerned, but he is simply a lawyer expressing a legal opinion. I submit, Your Honor, it carries undue weight with the jury to have a lawyer get up there and say, "I disagree with Mr. Runft."

It opens the door for a battle of legal experts.

THE COURT: We have instructed the jury before on an expert and that they can choose to believe it or disbelieve it, or accept part of it or reject all of it. If you wish me to, I can give that instruction again.

It is true that Mr. Runft and Mr. McKenna came in and they testified to it. It is also true that they have testified that they imparted this knowledge to Mr. Hansen, and presumably that he accepted it.

MR. LEWIN: That is right.

THE COURT: On the other hand, I think that this is not unfair rebuttal. Let me put it more positively: I think

1554-1556

it is fair rebuttal. If that is squarely what Mr. Scott is going to testify to, and not just to be a rehash of what he has earlier testified to, it will be permitted.

We will come back at 4:20 now since you have lost those five minutes.

MR. COLE: Thank you.

(End of bench conference)

THE COURT: We are taking a recess, at the request of counsel, to gather together the necessary complements for the conclusion of the case as far as we can go today. The rest of it will be concluded tomorrow. We will be back in about 20 minutes.

(Recess)

(4:23 P.M.) AFTER RECESS:

THE COURT: ARE WE READY FOR THE JURY? ALL RIGHT. BRING IN JURY IN. I BELIEVE YOU STILL HAVE SOME EXHIBITS, MR. LEWIN.

(WHEREUPON, AT 4:23 P.M., THE JURY ENTERS.)

THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, WE SHALL CONTINUE. MR. LEWIN?

MR. LEWIN: YES, YOUR HONOR. AT THIS TIME, WE WOULD LIKE TO OFFER IN EVIDENCE, DEFENDANT'S EXHIBIT 3, WHICH IS THE CALENDAR FOR THE YEAR, 1981.

MR. WEINGARTEN: NO OBJECTION, YOUR HONOR.

THE COURT: IT IS IN EVIDENCE.

(WHEREUPON, DEFENDANT'S EXHIBIT NO.3
WAS RECEIVED INTO EVIDENCE.)

MR. LEWIN: DEFENDANT'S EXHIBIT 41 WHICH IS A PHOTOGRAPH OF MR. RUNFT'S DIARY WHICH WAS TESTIFIED ALSO.

THE COURT: THAT IS IN EVIDENCE ALSO.

(WHEREUPON, DEFENDANT'S EXHIBIT NO.41
WAS RECEIVED INTO EVIDENCE.)

MR. LEWIN: EXHIBIT 48-A, WHICH IS THE LARGE-SIZED BLOWUP OF THE MEMORANDUM OF GINA JARMIN.

THE COURT: ALL RIGHT. NO OBJECTION? ALL RIGHT. IT IS IN EVIDENCE.

(WHEREUPON, DEFENDANT'S EXHIBIT NO. 48-A
WAS RECEIVED INTO EVIDENCE.)

MR. LEWIN: AND THEN, ALSO, I GUESS WE HAVE ALREADY OFFERED IN EVIDENCE THAT CHART. YES, IT IS IN EVIDENCE.

THE COURT: I KNOW IT WAS MARKED BUT WAS IT MOVED INTO EVIDENCE? YOU ARE RIGHT. IT IS IN.

MR. LEWIN: WITH THOSE MATTERS, YOUR HONOR, THE DEFENSE RESTS.

THE COURT: ALL RIGHT. REBUTTAL.

MR. COLE: YOUR HONOR, THE GOVERNMENT CALLS GARY JARMIN.

THE COURT: THE DEFENSE HAVING RESTED, LADIES AND GENTLEMEN OF THE JURY, THE GOVERNMENT IS NOW CONDUCTING WHAT WE CALL REBUTTAL.

WHEREUPON,

GARY JARMIN

CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS.

THE COURT: GOOD AFTERNOON, MR. JARMIN.

THE WITNESS: GOOD AFTERNOON

DIRECT EXAMINATION

BY MR. COLE:

Q. MR. JARMIN, STATE YOUR FULL NAME AND SPELL YOUR LAST NAME?

Q. GARY LEWIS JARMIN.

Q. MR. JARMIN, HOW ARE YOU EMPLOYED?

A. I'M PRESIDENT OF JAR-MON CONSULTANTS.

Q. WHERE IS JAR-MON LOCATED?

A. 214 MASSACHUSETTS AVENUE, NORTHEAST, WASHINGTON, D. C..

Q. MR. JARMIN, HOW LONG HAVE YOU HAD JAR-MON AS A COMPANY?

A. FIRST ESTABLISHED AND INCORPORATED IN 1981.

Q. WHAT DOES THE COMPANY DO?

A. WE ARE A POLITICAL AND LEGISLATIVE CONSULTANT FIRM PRIMARILY INVOLVED IN LOBBYING CONGRESS.

Q. IN THE COURSE OF YOUR WORK WITH JAR-MON ASSOCIATES HAVE YOU COME INTO CONTACT WITH A GROUP KNOWN AS THE ASSOCIATION OF CONCERNED TAXPAYERS?

A. YES, I HAVE.

Q. IS IT FAIR TO SAY, MR. JARMIN, THAT YOU THOUGHT THAT GROUP UP?

A. YES, IT WAS AN ORIGINAL A CONCEPT OF MINE.

Q. WHEN DID YOU ORIGINALLY HAVE THAT CONCEPT?

A. APPROXIMATELY AROUND MAY OF 1981.

Q DID YOU CONTACT CERTAIN CONGRESSMEN TO TRY TO GET THEM TO BE THE HEADS OF THAT GROUP?

A. I HAD APPROACHED ONE CONGRESSMAN, JIM COLLINS, AND I HAD ALSO APPROACHED SENATOR CHUCK GRASSLY.

Q. AND WHAT KIND OF RESPONSE DID THEY GIVE YOU?

A. JIM COLLINS WAS PLANNING TO RUN FOR THE SENATE; HE DID NOT WANT TO INVOLVE HIMSELF AT THAT TIME. CHUCK GRASSLY WAS CHAIRMAN OF THE SUBCOMMITTEE ON THE INTERNAL REVENUE SERVICE; FELT THAT IT MIGHT BE AT CONFLICT OF INTEREST AND DECLINED FOR

THAT REASON.

Q. DID YOU ULTIMATELY CONTACT ANOTHER MEMBER OF CONGRESS?

A. I ULTIMATELY CONTACTED GEORGE HANSEN, WITH THE SAME IDEA.

Q. DID YOU MEET WITH CONGRESSMAN HANSEN ABOUT "ACT" AT ANY TIME?

A. YES, I ORIGINALLY SCHEDULED A MEETING IN AUGUST OF 1981 TO PRESENT A 4, 5, PAGE PROSPECTUS OUTLINING THE CONCEPT OF THE ORGANIZATION.

Q. THIS IS A THIS IS A PROSPECTUS YOU HAD WRITTEN?

A. THAT I HAD DRAFTED.

Q. IS THIS THE FIRST TIME YOU SAT DOWN AND TALKED TO CONGRESSMAN HANSEN ABOUT THAT?

A. DIRECTLY, YES. I HAD NOT TALKED TO HIM BEFORE ABOUT IT. ALTHOUGH WE HAD TALKED IN YEARS BEFORE ABOUT THE I. R. S. BUT NOT SPECIFICALLY ABOUT THIS GROUP.

Q. SO IT IS SAFE TO SAY THE FIRST CONTACT YOU EVER HAD WITH CONGRESSMAN HANSEN SITTING DOWN AND DISCUSSING IT WAS IN EARLY AUGUST OF' 81?

A. YES.

Q. AND THAT WAS SPECIFICALLY ABOUT THE ASSOCIATION?

A. SPECIFICALLY, ABOUT THE ESTABLISHMENT OF THAT ASSOCIATION.

Q. AT THIS MEETING IN AUGUST OF 1981 WHAT WAS CONGRESSMAN HANSEN'S RESPONSE WHEN YOU ASKED HIM TO BE CHAIRMAN OF THE

GROUP?

A. HIS INITIAL RESPONSE WAS VERY POSITIVE. HE WANTED TO HAVE IF I RECALL SOME WEEKS TO THINK ABOUT IT AND GET BACK TO ME OR I GET BACK TO HIM AND WE WOULD DISCUSS IT FURTHER.

Q. WAS THERE ANY INDICATION FROM CONGRESSMAN HANSEN THAT THIS WAS SOMETHING HE HAD BEEN LOOKING FOR OR SOMETHING HE HAD BEEN TRYING TO SET UP ON HIS OWN AT THAT POINT?

A. YES AND NO.

I MEAN HE HAD BEEN FOR MANY YEARS CONCERNED ABOUT THE I. R. S. AND ITS ABUSES AND SO ON. SO, I ASSUME THAT MAYBE IN THE BACK OF HIS MIND, MAYBE -- I DON'T KNOW -- HE HAD PLANNED TO DO SOMETHING LIKE THIS BUT AS FAR AS I KNOW BASED ON OUR CONVERSATION HE WASN'T LOOKING TO START ONE NECESSARILY.

I JUST HAPPENED TO COME TO HIM AT THAT TIME WITH THE IDEA AND HE SEEMED VERY RECEPTIVE.

THE COURT: I MISSED. WHICH TIME WAS THAT?

THE WITNESS: IN AUGUST WHEN WE MET.

THE COURT: THANK YOU.

BY MR. COLE:

Q. SO, IS IT FAIR TO SAY YOU PLANTED THE SEED IN HIS MIND FOR THE FIRST TIME REGARDING THIS ORGANIZATION?

A. REGARDING THE SPECIFIC ORGANIZATION?

Q. YES.

A. YES.

Q. CONGRESSMAN HANSEN DIDN'T GIVE YOU AN ANSWER THAT DAY, IS THAT RIGHT?

A. WELL, LIKE I SAID, HIS INITIAL REACTION WAS VERY POSITIVE AND HE WANTED TO GIVE IT SOME MORE THOUGHT TO MAKE A FINAL DECISION, AND THAT EVENTUALLY HAPPENED A FEW WEEKS, SEVERAL WEEKS LATER.

Q. WAS, IS IT SAFE TO SAY THAT HAPPENED THE NEXT MONTH?

A. YES, I BELIEVE IT WAS SHORTLY AFTER LABOR DAY IN SEPTEMBER.

Q. SO IT WAS SEPTEMBER OF 1981 BEFORE CONGRESSMAN HANSEN ACTUALLY CONSENTED TO BE THE CHAIRMAN OF "ACT"?

A. THAT IS CORRECT.

Q. WHAT DID YOU DO FOLLOWING HIS CONSENT TO BE CHAIRMAN OF "ACT"?

A. WELL, WE NOTIFIED ATTORNEYS OF OURS AND ASKED THEM TO DRAFT PAPERS, TO INCORPORATE AN UMBRELLA ORGANIZATION, UNDER WHICH THE ASSOCIATION OF CONCERNED TAXPAYERS WOULD LEGALLY FUNCTION.

Q. AND WHEN WAS THIS ORGANIZATION INCORPORATED?

A. I BELIEVE IT WAS SEPTEMBER 29, 1981.

Q. SO, "ACT" DIDN'T EXIST BEFORE THEN? IS THAT RIGHT?

A THAT IS RIGHT.

Q. DID YOU HAVE AN ORGANIZATIONAL MEETING TO SET UP WHAT YOU WERE GOING TO DO AND WHO WAS GOING TO DO IT AROUND DECEMBER OF 1981?

A. YES, IT WAS EARLY DECEMBER. I AM NOT EXACTLY SURE OF

THE DATE. WE HAD SEVERAL OF US WHO WERE INVOLVED INCLUDING FUND RAISERS AND THE STAFF, GEORGE HANSEN'S STAFF MET, TO PLAN WHAT WE WERE GOING TO DO.

Q. THIS WAS BASICALLY THE FIRST ORGANIZATIONAL MEETING OF THE ASSOCIATION?

A. I BELIEVE THIS WAS THE FIRST TIME WE MET AS A BOARD AND HAD MINUTES AND CONDUCTED OURSELVES AS A BOARD.

Q. DID YOU DISCUSS THE USE OF A BOOK AS A PREMIUM, EITHE AT THIS MEETING OR SHORTLY BEFORE?

A. YES, ORIGINALLY I HAD -- WELL IT MIGHT HAVE BEEN BEFORE THE MEETING. IF I RECALL IT WAS BEFORE THE MEETING WE WERE DISCUSSING FUNDRAISING IN GENERAL TERMS, AND I HAD RECOMMENDED THAT, TO CONGRESSMAN HANSEN THAT IT MIGHT BE A GOOD IDEA IF WE USED HIS BOOK AS A PREMIUM IN THE FUNDRAISING PACKAGE.

Q. THIS WAS AGAIN YOUR IDEA?

A. WELL, IT WAS A SUGGESTION I MADE. I DON'T REMEMBER. SOMEBODY ELSE MIGHT HAVE MADE A SUGGESTION TO HIM OTHER THAN THAT, BUT I REMEMBER I DID MAKE THAT SUGGESTION.

Q. AND WHAT WAS HIS REACTION TO THE SUGGESTION OF YOURS?

A. WELL, I AM TRYING TO RECALL. I BELIEVE HE HAD ONE -- I THINK HE RESPONDED POSITIVELY TO THE SUGGESTION. THE ONLY CAVEATE WAS THAT GEORGE WAS CONCERNED HOW WE HANDLED IT BECAUSE HE DIDN'T WANT TO GIVE THE APPEARANCE THAT THIS BOOK, THAT HE WAS TRYING TO PROMOTE HIS OWN BOOK TO GET ROYALTIES. HE WAS

VERY MUCH CONCERNED THAT IT NOT APPEAR TO BE THAT. OTHER THAN THAT HE WAS GENERALLY IN AGREEMENT WITH THE IDEA.

Q. SO HE DIDN'T WANT IT TO LOOK LIKE HE WAS PROMOTING HIS BOOK?

A. WELL HE DIDN'T WANT IT TO LOOK LIKE HE WAS PROMOTING THE BOOK FOR THE PURPOSE OF GETTING ROYALTIES IF I RECALL CORRECTLY THAT IS WHAT HE INDICATED.

Q. DID THERE COME A TIME YOU HAD A CONVERSATION WITH CONGRESSMAN HANSEN ABOUT THE FUNDING OF "ACT," THE INITIAL START-UP?

A. BEFORE I TALKED WITH GEORGE I CONSULTED WITH A FUND RAISER, A PERSON WITH WHOM SOME OF MY OTHER CLIENTS DO BUSINESS TO SEE IF HE WOULD BE IN AGREEMENT WITH THE IDEA OF BACKING SUCH AN ORGANIZATION DOING FUNDRAISING. HE INDICATED A VERY POSITIVE INTEREST AND SO WHEN I FIRST WENT AND TALKED WITH GEORGE IN THE COURSE OF ALSO DISCUSSING THE CONCEPT OF THAT I ALSO INFORMED CONGRESSMAN HANSEN THE INTEREST OF THIS PARTICULAR FUNDRAISER IN DOING FUNDRAISING FOR THE ORGANIZATION.

Q. NOW THIS FUNDRAISER, WAS HE GOING TO PROVIDE ANY KIND OF FINANCIAL ASSISTANCE TO THE ORGANIZATION?

A. WELL BASICALLY WHAT HE WAS GOING TO DO WAS ADVANCE A LINE OF CREDIT WHICH WOULD HAVE ENABLED US TO HAVE GONE INTO THE MAILS WITHOUT HAVING TO PUT ALOT OF MONEY UP FRONT EXCEPT FOR POSTAGE. WE WOULD HAVE HAD TO HAVE RAISED THE POSTAGE MONEY.

Q. IS IT SAFE TO SAY THAT THIS FUNDRAISER ULTIMATELY WAS NOT THE FUNDRAISER FOR "ACT."

A. YES, ULTIMATELY HE DID NOT DO THE FUNDRAISING.

Q. DID CONGRESSMAN HANSEN ULTIMATELY TELL YOU HE HAD OBTAINED MONEY FOR "ACT"?

Q YES, EVENTUALLY, AFTER HE HAD MADE THE DECISION TO USE A DIFFERENT FUNDRAISER, HE INFORMED ME. AND MY MEMORY WAS NOT CRYSTAL CLEAR EXACTLY WHEN IT WAS. BUT HE INFORMED ME HE HAD BORROWED A HUNDRED THOUSAND DOLLARS PERSONALLY FOR THE PURPOSE OF USING THIS MONEY TO FUND THE ORGANIZATION AND TO RAISE MONEY FOR THE ORGANIZATION.

Q. MAYBE I SHOULD BACK UP HERE. WHAT WAS YOUR POSITION IN "ACT" DURING THIS TIME?

A. I WAS A MEMBER OF THE BOARD AND MY OFFICIAL TITLE WAS TREASURER. LEGALLY, I WAS TREASURER OF THE ORGANIZATION AND ALSO ACTING EXECUTIVE DIRECTOR.

Q. AS TREASURER, YOU ARE RESPONSIBLE FOR THE FINANCIAL CONCERNS OF THE CORPORATION IS THAT RIGHT?

A. LEGALLY, YES.

Q. WHEN CONGRESSMAN HANSEN TOLD YOU ABOUT THIS HUNDRED THOUSAND DOLLARS THAT HE HAD GOTTEN DID HE TELL YOU WHERE HE HAD GOTTEN IT?

A. HE INDICATED THAT HE HAD A BANK LOAN THAT THAT WAS THE SOURCE.

Q. DID HE TELL YOU ANYTHING ABOUT COLLATERAL CONCERNING

THAT BANK LOAN AT THE TIME?

A. HE INDICATED THAT HE HAD TO PUT HIS HOUSE UP FOR COLLATERAL.

Q. DID YOU ASK HIM FOR ANY DETAILS ABOUT THIS LOAN?

A. WELL, ONLY -- WHEN HE MENTIONED THAT, MY ONLY CONCERN WAS WHAT THE LEGAL OBLIGATIONS FINANCIALLY WOULD HAVE BEEN TO THE ORGANIZATION. IN OTHER WORDS, WHAT KIND OF A CONTRACT WAS IT? WERE WE OBLIGATED TO PAY THIS OFF IN SIX MONTHS AT 18 PER CENT OR WHAT AND GEORGE ASSURED ME NOT TO WORRY ABOUT THAT BECAUSE IT WAS A PRIVATE PERSONAL LOAN SO ONLY HE NOT THE ORGANIZATION WOULD HAVE BEEN LEGALLY RESPONSIBLE.

OTHER THAN ASSURING ME THAT THAT WAS THE CASE, I DIDN'T HAVE ANY OTHER CONCERNS OR QUESTIONS ABOUT IT.

Q. DID YOU EVER ASK HIM WHAT THE TERMS OF THE LOAN WERE?

A. I AM NOT SURE. YES, I ASKED HIM IN THE CONTEXT IF THERE WERE ANY TERMS TO WHICH THE ORGANIZATION WAS LEGALLY RESPONSIBLE BUT WE NEVER GOT INTO THE SPECIFIC TERMS EXCEPT THAT HE ASSURED ME IT WAS NOTHING FOR ME TO WORRY ABOUT SINCE IT WAS A PERSONAL LOAN TO HIM NOT TO THE ORGANIZATION DIRECTLY.

Q. IT WAS A BANK LOAN TO HIM?

A. A BANK LOAN TO HIM.

Q. AND THERE WAS COLLATERAL IN THAT LOAN OF HIS HOUSE?

A. WELL, HE INDICATED, YES, THAT HE HAD TO USE HIS HOUSE AS COLLATERAL, I BELIEVE. IF I RECALL CORRECTLY THAT IS WHAT HE SAID.

Q. TAKING YOU NOW TO JULY OF THE FOLLOWING YEAR 1982, DID YOU HAVE ANOTHER CONVERSATION WITH GEORGE HANSEN CONCERNING THAT HUNDRED THOUSAND DOLLARS LOAN?

A. YES, I HAD NOT REALLY THOUGHT ABOUT IT MUCH UNTIL THEN. AN ARTICLE APPEARED IN THE WALL STREET JOURNAL I BELIEVE THAT RAISED SOME QUESTIONS ABOUT HIS OWN FINANCIAL CONCERNS AND I WENT BACK TO HIM AND ASKED HIM AGAIN TO BE, IF HE COULD BE A LITTLE MORE SPECIFIC ABOUT THE SOURCE AND THE NATURE OF THE LOAN.

Q. WHAT DID HE TELL YOU AT THAT TIME?

A. THAT THE LOAN WAS -- ALMOST WHAT HE TOLD ME THE FIRST TIME EXCEPT THAT HE SAID IT WAS PERSONAL FRIENDS WHO WERE BANKERS OR SOME OF THE FRIENDS WHO WERE BANKERS HAD MADE THE LOAN TO HIM PERSONALLY.

Q. DID HE TELL YOU WHO THEY WERE?

A. I ASKED AND HE DECLINED TO TELL ME ON GROUNDS THAT THEY WANTED TO REMAIN CONFIDENTIAL BECAUSE THEY DID NOT WANT IT KNOWN TO THE IRS THAT THEY WERE MAKING SUBSTANTIAL CONTRIBUTIONS TO A GROUP THAT WAS IN FACT FIGHTING FOR REFORM OF THE IRS.

Q. YOU WERE THE TREASURER OF "ACT" AT THIS TIME?

A. YES I WAS STILL TREASURER THEN.

Q. AND HE WAS NOT TELLING YOU WHERE HE WAS GETTING MONEY FOR "ACT", IS THAT CORRECT?

A. JUST WHAT I SAID: HE RECEIVED IT FROM PERSONAL LOANS

FROM FRIENDS SOME OF WHOM WERE BANKERS AND THEY WANTED IT TO REMAIN CONFIDENTIAL.

Q. DO YOU KNOW WHAT HE DID WITH THAT MONEY, THAT HUNDRED THOUSAND DOLLARS FROM YOUR OWN PERSONAL KNOWLEDGE?

A. MY OWN PERSONAL KNOWLEDGE? TO THE BEST OF MY KNOWLEDGE IT WAS SPENT TO RAISE MONEY FOR THE ORGANIZATION.

Q. HOW DO YOU KNOW THAT?

A. WELL, BECAUSE LARGE VOLUMES OF MAIL WERE GOING OUT AND CHECKS WERE COMING BACK INTO OUR OFFICE SO I GUESS I CAN ONLY ASSUME THAT IT WAS BEING SPENT FOR THAT PURPOSE.

Q. DID YOU SEE ANY CHECKS OF A HUNDRED THOUSAND DOLLARS OR CHECKS AMOUNTING TO A HUNDRED THOUSAND DOLLARS WRITTEN TO "ACT"?

A, NO.

MR. COLE: THANK YOU, MR. JARMIN.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. GOOD AFTERNOON, MR. JARMIN.

A. GOOD AFTERNOON.

Q. IT IS A FACT, IS IT NOT, THAT IN THE MIDDLE, OR SOMETIME IN JULY OR AUGUST OF 1982, AN ACCOUNTANTS REPORT WAS DONE OF THE FINANCES OF "ACT", IS THAT RIGHT?

A. A FINANCIAL STATEMENT.

Q. A FINANCIAL STATEMENT WAS DONE AT THAT POINT. AND

THAT STATEMENT DID REFLECT THAT MR. HANSEN HAD LOANED OR HAD PAID APPROXIMATELY 135 THOUSAND DOLLARS WORTH OF BILLS FOR VENDORS, PRINTERS, MAILING FIRMS, POST OFFICE, ET CETERA, IS THAT CORRECT?

A. I BELIEVE THAT WAS IN THE REPORT.

Q. THAT WAS THIS IN THE REPORT, AND THE UNDERSTANDING WAS THAT THAT HUNDRED 35 THOUSAND DOLLARS WOULD BE PAID BACK OUT OF THE PROCEEDS OF THE MAILINGS?

A. YES, AND WE AT THE FIRST MEETING WHEN GEORGE INFORMED ME OF THE LOAN, WE OBVIOUSLY HAD A GENTLEMEN'S AGREEMENT TO TRY TO REPAY HIM FOR THE LOAN WHEN WE COULD AFFORD TO DO SO.

Q. AND, IN FACT, THE TOTAL THAT CONGRESSMAN HANSEN PAID WAS I BELIEVE YOU HAVE TESTIFIED -- YOU TESTIFIED BEFORE THE GRAND JURY, DIDN'T YOU?

A. YES, I DID.

Q. AND YOU TESTIFIED IT WAS ANYWHERE BETWEEN 135 THOUSAND TO 153 THOUSAND?

A. I WAS NEVER QUITE SURE OF WHAT THE FIGURE WAS.

Q. BUT THAT WAS YOUR BEST ESTIMATE?

A. SOMEWHERE IN THAT RANGE.

Q. AND YOU TESTIFIED THAT HE DID SAY TO YOU CONSTANTLY DURING THIS PERIOD OF TIME YOU WERE DISCUSSING THIS FINANCING THAT IT HAD BEEN OBTAINED FROM SOME OTHER SOURCE FOR THE PURPOSE OF PAYING THE BILLS OR PAYING THE COSTS OF THE ASSOCIATION OF CONCERNED TAXPAYERS?

A. THAT IS CORRECT.

Q. NOW, LET'S JUST TALK FOR A MOMENT ABOUT THE ORIGINS OF THE ASSOCIATION. YOUR TESTIMONY IS THAT SOMETIME IN SPRING OF 1981, YOU BEGAN THINKING OF THIS IDEA?

A. YES, SPECIFICALLY THE IDEA WAS SPARKED BY A PARADE MAGAZINE ARTICLE, A FRONT COVER STORY, THAT APPEARED, I BELIEVE SOMETIME THEREABOUTS.

Q. HAD YOU -- BY THE WAY, YOU WERE AT THAT TIME WITH THE AMERICAN CONSERVATIVE UNION, IS THAT CORRECT?

A. NO. I HAD LEFT THE AMERICAN CONSERVATIVE UNION IN JULY OF 1979.

Q. BUT YOU WERE INTERESTED IN VARIOUS PROJECTS THAT, YOU KNOW, EITHER LEGISLATORS OR OTHERS WHO WERE OF CONSERVATIVE POLITICAL PHILOSOPHY WERE INTERESTED IN?

A. OH, YES, CERTAINLY.

Q. AND YOU ALWAYS HAVE BEEN?

A. AS LONG AS I HAVE BEEN HERE FOR THE PAST 14 YEARS, YES.

Q. AND HAD YOU PRIOR TO THAT TIME SEEN OR READ THE BOOK THAT I HAVE BEFORE YOU HERE, DEFENDANTS EXHIBIT 12 IN EVIDENCE?

A. YES, I HAVE READ IT. A GOOD BOOK AS A MATTER OF FACT.

Q. YOU READ IT. AND YOU READ IT SOON AFTER IT CAME OUT, I MEAN SOMETIME IN 1980?

A. I BELIEVE. YES, I CAN'T REMEMBER EXACTLY WHEN BUT I DO RECALL HAVING READ IT.

Q. AND DO YOU RECALL THAT THAT BOOK SPECIFICALLY PROPOSED

IN SOME OF ITS CONCLUDING CHAPTERS A SPECIFIC RECOMMENDATIONS, LEGISLATIVE RECOMMENDATIONS CONCERNING THE INTERNAL REVENUE SERVICE?

A. I BELIEVE THERE WERE SOME IN THERE. I CAN'T REMEMBER.

Q. THINGS LIKE THE FLAT RATE TAX FOR EXAMPLE?

A. I COULDN'T ANSWER SPECIFICALLY. IN GENERAL, I BELIEVE THERE WERE LEGISLATIVE REMEDIES RECOMMENDED IN THE BOOK. I CAN'T BE TOO CLEAR SPECIFICALLY WHICH ONES.

Q WELL IF I TOLD YOU THAT THE FLAT RATE TAX AND WHAT ULTIMATELY WAS CALLED THE TAXPAYER PROTECTION ACT WERE RECOMMENDED IN THE FINAL TWO CHAPTERS OF THIS BOOK, WOULD THAT CONSISTENT WITH YOUR GENERAL RECOLLECTION?

A. YES, THAT WOULD BE CONSISTENT.

Q. IN DISCUSSIONS WITH CONGRESSMAN HANSEN YOU LEARNED, DID NOT -- YOU HAD HAD DISCUSSIONS WITH CONGRESSMAN HANSEN BEFORE 1981? I MEAN YOU DIDN'T FIRST MEET HIM IN 1981?

A. OH NO. WE HAD KNOWN EACH OTHER SINCE 1976.

Q. ON THE WITNESS STAND YOU HAVE BEEN CALLING HIM GEORGE. DO YOU CALL HIM GEORGE?

A. USUALLY.

Q. YOU HAVE HAD DISCUSSIONS WITH HIM ABOUT LEGISLATIVE MATTERS THAT HE WAS INTERESTED IN?

A. YES.

Q. AND THE TAXPAYER PROTECTION ACT AND THE FLAT RATE TAX WERE TWO PARTICULAR PIECES OF LEGISLATION HE WAS INTERESTED IN, IS THAT CORRECT?

A. YES.

Q. IN FACT THE TAXPAYER PROTECTION ACT AND THE FLAT RATE TAX WERE THE VERY FOCUS OF THE ASSOCIATION FOR CONCERNED TAXPAYERS, ISN'T THAT TRUE?

A. THAT IS CORRECT.

Q. AND THE MATERIALS THAT WERE DISTRIBUTED TO THE PUBLIC ASKED THE PUBLIC TO WRITE IN AND SUPPORT THOSE TWO PARTICULAR PIECES OF LEGISLATION?

A. THAT IS CORRECT.

Q. SO, YOU WOULDN'T TAKE CREDIT, WOULD YOU, MR. JARMIN, FOR FIRST HAVING THOUGHT UP IN 1981 WHETHER IT WAS IN APRIL OR AUGUST THE IDEA OF PROMOTING THE FLAT RATE TAX OR THE TAXPAYER PROTECTION ACT?

A. NO, THE ONLY THING I THOUGHT UP WAS A SPECIFIC ORGANIZATION TO RUSH THEM. - TO LOBBY FOR IT.

Q. DO YOU THINK THAT CONGRESSMAN HANSEN DID NOT PRIOR TO YOUR MEETING WITH HIM IN THE SUMMER OF 1981 CONSIDER THE POSSIBILITY OF AN ORGANIZATION?

MR. COLE: YOUR HONOR, HE IS ASKING FOR A VERY VERY BALD SPECULATION HERE AND I REALLY DON'T SEE WHERE HE IS GETTING AT. HE IS ASKING FOR PURE SPECULATION.

THE COURT: THE GENTLEMAN CAN TELL US WHETHER THAT IS THE SITUATION OR NOT. IF THE CONGRESSMAN SAID NO, IT IS MY IDEA, IT ISN'T YOURS.

MR. LEWIN: NO, I AM NOT ASKING QUITE THE JUDGE'S QUESTION. BY MR. LEWIN:

Q. I AM ASKING WHETHER WHEN YOU MET WITH CONGRESSMAN HANSEN AS YOU TESTIFIED YOU DID IN THE SUMMER OF 1981 WHETHER IT WAS NOT A FACT THAT THE IDEAS WHICH FORMED THE ASSOCIATION OF CONCERNED TAXPAYERS, THE LEGISLATIVE PROPOSALS, HAD PREVIOUSLY BEEN PUBLICALLY ANNOUNCED BY THE CONGRESSMAN?

A. WELL, THERE IS NO QUESTION THAT GEORGE HANSEN FOR SEVERAL YEARS PRIOR TO OUR MEETING IN AUGUST HAD BEEN CONCERNED ABOUT THIS AND HAD BEEN PROPOSING LEGISLATIVE REMEDIES, HAD WRITTEN A BOOK ON IT.

SO, I MEAN I SUPPOSE I SHOULD ANSWER THE QUESTION THIS WAY. ACTUALLY, I WAS SURPRISED THAT HE PROBABLY HADN'T ACTUALLY STARTED A GROUP PRIOR TO THAT, TO LOBBY FOR THOSE ISSUES.

Q. THE FACT OF THE MATTER IS, MR. JARMIN, THAT YOU DIDN'T REALLY KNOW WHEN YOU MET WITH HIM WHAT IDEAS CONGRESSMAN HANSEN HAD PREVIOUSLY DISCUSSED WITH ANYBODY REGARDING THE POSSIBILITY OF HAVING AN ORGANIZATION?

A. NO.

Q. HE DIDN'T TELL YOU?

A. NO, HE DIDN'T HAVE A CONVERSATION WITH ME ABOUT IT.

Q. HE DIDN'T TELL YOU ANY IDEAS ABOUT ANYTHING HE HAD PREVIOUSLY DONE THAT, IS THAT YOUR TESTIMONY?

A. I AM SORRY. YOU HAVE TO BE MORE SPECIFIC. WHAT IDEAS?

Q. HE DID NOT CONVEY TO YOU ANYTHING HE MIGHT HAVE PREVIOUSLY DONE IN ORDER TO GET AN ORGANIZATION HIMSELF, HAD HE?

A. NO, I DON'T BELIEVE SO.

Q. THAT IS YOUR TESTIMONY JUST THAT HE DIDN'T SAY ANYTHING TO YOU REGARDING IT?

A. THAT IS TRUE.

Q. O. K. AND IT WAS YOUR CONCLUSION THAT THIS WAS YOUR IDEA THAT YOU HAD THOUGHT OF AND THEREFORE PROPOSED TO HIM?

A. WITH RESPECT THE ESTABLISHING A PARTICULAR ORGANIZATION THAT I HAD PROPOSED.

Q. NOW, THE FACT IS, MR. JARMIN, THAT ONCE THE ORGANIZATION REALLY DID GET GOING, YOU REALLY RAN INTO PERSONAL DIFFERENCES WITH SOME OTHER PEOPLE WHO WERE INVOLVED IN THE ORGANIZATION?

A. THAT IS TRUE.

Q. AND YOU WERE REALLY UNHAPPY ONCE THE ASSOCIATION OF CONCERNED TAXPAYERS GOT GOING THAT YOU DID NOT APPEAR TO BE THE HEAD AND IN CONTROL OF THAT ORGANIZATION, ISN'T THIS TRUE?

A. WITH RESPECT TO THE LEGAL OBLIGATIONS I HAD AS TREASURER OF THE ORGANIZATION.

Q. WAS IT ONLY WITH RESPECT TO THE LEGAL OBLIGATIONS AS TREASURER OR WAS IT WITH RESPECT TO THE OVERALL DIRECTION OF WHAT THE ORGANIZATION FOR CONCERNED TAXPAYERS WAS DOING?

A. WELL IT WAS AGREED-UPON AND UNDERSTOOD THAT I WOULD BE ACTING AS EXECUTIVE DIRECTOR OF THE ORGANIZATION.

Q. AND YOU WERE REALLY UNHAPPY THAT ALL THE SHOTS WERE BEING CALLED BY MR. MARTIN RATHER THAN BY YOURSELF?

A. EVENTUALLY, THE ROLES BECAME REVERSED IN MY OPINION, YES.

Q. WHEN YOU SAY REVERSED, IT WAS TRUE FROM THE OUTSET WASN'T IT MR. JARMIN THAT YOU WERE NOT HAPPY THAT IT WAS MR. MARTIN WHO WAS CONTROLING THE ORGANIZATION AND ITS FINANCES RATHER THAN YOURSELF?

A. WITH RESPECT TO ESTABLISHING THE ORGANIZATION, IT WAS I AND GEORGE HANSEN WHO DISCUSSED IT NOT I AND GEORGE HANSEN AND JIM MARTIN.

EVENTUALLY, IT GOT TO THE POINT WHERE I THOUGHT I HAD LITTLE OR NO INFLUENCE IN IT, AND IT WAS AN ORGANIZATION IN WHICH I HAD NO AUTHORITY AND MUCH ROLE TO PLAY.

Q. AND YOU RESIGNED?

A. AND I RESIGNED.

Q. AND YOU WERE UNHAPPY THAT YOU WERE NOT PAID AS MUCH AS YOU REALLY THOUGHT YOU SHOULD BE PAID?

A. YES, THAT IS TRUE, I HAD DONE A LOT OF WORK AND I THOUGHT I WAS OWED PAYMENT FOR IT.

Q. AND YOU THOUGHT MR. MARTIN WAS BEING PAID AND YOU WERE NOT BEING PAID?

A. IN FACT, THAT IS THE CASE, WAS THE CASE.

Q. AND YOU THOUGHT THAT THAT WAS BECAUSE MR. MARTIN WAS AN OLD A LONGSTANDING FRIEND OF CONGRESSMAN HANSEN'S?

A. NOT NECESSARILY BECAUSE HE WAS AN OLD LONGSTANDING FRIEND OF CONGRESSMAN HANSEN, ONLY BECAUSE THE MONEY CONTROL OF THE ORGANIZATION WAS -- FINANCIAL DECISIONS WERE BEING MADE BY JIM MARTIN WITHOUT MUCH OF AN INPUT FROM ME.

Q. THE MATTER OF THE PAYMENT, FOR EXAMPLE, OF ALL THOSE START-UP COSTS, YOU KNEW THAT THE START-UP COSTS HAD BEEN PAID BUT YOU HAD NOT BEEN IN CONTROL OF THEIR ACTUAL PAYMENT, IS THAT RIGHT?

A. OR HAD ANY OVERSIGHT OF THOSE PAYMENTS.

Q. AND NOW, IT IS YOUR TESTIMONY -- WHEN EXACTLY IS IT THAT YOU HAVE TESTIFIED THAT CONGRESSMAN HANSEN SAID TO YOU THAT THIS WAS A BANK LOAN FOR WHICH HE HAD PUT UP HIS HOUSE AS COLLATERAL?

A. I CAN'T REMEMBER PRECISELY THE EXACT TIME WHEN WE HAD THE CONVERSATION. IT WAS EITHER A FEW WEEKS BEFORE OR A FEW WEEKS AFTER THE DECEMBER MEETING, ORGANIZATIONAL BOARD MEETING THAT WE HAD.

Q. AND IT'S YOUR TESTIMONY THAT THAT DECEMBER WAS THE FIRST TIME THERE WAS AN ORGANIZATIONAL BOARD MEETING?

A. YES.

Q. YOU ARE SURE ABOUT THAT?

A. WHERE WE CONDUCTED OURSELVES AS A BOARD OF DIRECTORS.

Q. IF I SHOWED YOU, MR. JARMIN, A SERIES OF CHECKS WHICH HAVE BEEN IDENTIFIED-- A CHART OF A SERIES OF CHECKS WHICH HAVE BEEN IDENTIFIED.

THE COURT: LADIES AND GENTLEMEN, CAN YOU SEE IT? YOU CAN'T? I CAN SEE THE SHAKE OF YOUR HEAD. IS THAT BETTER? VERY GOOD.

BY MR. LEWIN:

Q. IF I SHOWED YOU WHAT HAS BEEN MARKED IN EVIDENCE A SERIES OF CHECKS MADE OUT BY CONGRESSMAN HANSEN CONCERNING THE PAYMENTS THAT WERE MADE FOR THE ASSOCIATION OF CONCERNED TAXPAYERS, AND IT INDICATES THAT ON NOVEMBER 9, 1981, A 45 HUNDRED DOLLAR CHECK WAS PAID FOR TO MARTIN ADVERTISING. ON NOVEMBER THIRD, 1981, AN $8,000 CHECK TO MARTIN ADVERTISING, WOULD IT REFRESH YOUR RECOLLECTION THAT THIS WAS HELD A LITTLE BIT EARLIER THAN DECEMBER?

A. I SAID WE HAD A BOARD MEETING AND ACTUALLY, THIS IS THE FIRST I HAVE EVER KNOWN THERE WAS SUCH A PAYMENT EVER MADE.

Q. BUT IN FACT THAT WAS PART OF THE 135 THOUSAND DOLLARS YOU REFERRED TO?

A. WELL, I TAKE YOUR WORD FOR IT. I DON'T KNOW.

Q. YOU TAKE MY WORD FOR IT? WHO IS GINA JARMIN?

A. SHE WAS MY WIFE.

Q. AND ISN'T IT A FACT THAT SHE WAS ALSO RUNNING THE VARIOUS BOOKS AND RECORDS OF THE ASSOCIATION OF CONCERNED TAXPAYERS?

A. ONLY THE CHECKBOOK.

Q. AND SHE ACKNOWLEDGED, DID SHE NOT, THAT THERE WERE -- THAT AMOUNT, 135 THOUSAND DOLLARS THAT HAD BEEN PUT IN IN TERMS

OF START-UP COSTS?

A. WELL, THAT WAS THE FIGURE THAT WE HAD ALWAYS BEEN TOLD SO, YES, WE WERE OPERATING ON THAT FIGURE.

Q. SO AS OF APRIL 7, 1982 THAT IS HER MEMORANDUM TO YOU AND CONGRESSMAN HANSEN AND MR. MCKENNA? WHO IS MR. MCKENNA?

A. MR. MCKENNA IS THE LEGISLATIVE ASSISTANT TO CONGRESSMAN HANSEN, WHO WAS A MEMBER OF THE BOARD.

Q. IN FACT AS OF APRIL 1982 YOU HAD A LIST OF VARIOUS OTHER DEBTS THAT WERE OWEING, AND INDICATIONS FROM, THAT WAS JIM MARTIN. THAT J. M. ?

A. YES.

Q. SO, AS OF THAT TIME, YOUR WIFE ACKNOWLEDGED THAT THOSE WERE AMOUNTS THAT HAD BEEN USED TO START-UP THE ASSOCIATION OF CONCERNED TAXPAYERS, IS THAT RIGHT?

A. AND THE MEMORANDUM, YES.

Q. NOW, THE FACT OF THE MATTER IS, MR. JARMIN, THAT DURING THIS ENTIRE EXPERIENCE WITH THE ASSOCIATION OF CONCERNED TAXPAYERS YOU DETERMINED THAT YOU WERE REALLY BEING TOLD VERY LITTLE ABOUT WHAT WAS ACTUALLY HAPPENING IN THE ORGANIZATION?

A. IN CERTAIN INSTANCES.

Q. AND THAT IT WAS REALLY MR. MARTIN WHO WAS IN CONTROL?

A. THE FUNDRAISING AND SOME OF THE FINANCIAL MATTERS.

Q. RIGHT. AND SO FAR AS ANY DISCUSSIONS WITH CONGRESSMAN HANSEN OR WITH ANYBODY ELSE CONCERNING ANY OF THE DETAILS GOVERNING THE FINANCES, THEY WERE VERY VERY BRIEF DISCUSSIONS, WEREN'T THEY?

A. WITH ME, YES.

Q. WITH YOU, YES. YOU SAY CONGRESSMAN HANSEN TOLD YOU THE SECOND TIME, YOU ONLY DISCUSSED THE MATTER OF HIS CONTRIBUTIONS TO THE ORGANIZATION ON TWO OCCASIONS, IS THAT RIGHT?

A. AT LEAST TWO THAT I RECALL.

Q. THOSE ARE THE ONLY TWO THAT YOU RECALL HAVEN'T YOU TESTIFIED TO THAT?

A. THOSE ARE THE ONLY TWO I RECALL.

Q. YOU TESTIFIED TO THAT EFFECT OR YOU TOLD THAT TO THE F B I WHEN YOU WERE INTERVIEWED BY THE F B I YOU TOLD THEM THOSE WERE THE ONLY TWO OCCASIONS, ISN'T THAT RIGHT?

A. YES.

Q. WITH REGARD TO THE SECOND OF THOSE, YOUR TESTIMONY IS THAT THERE WAS SOME DISCUSSION OF CONFIDENTIALITY AS BEING THE REASON FOR THE NAMES NOT BEING DISCLOSED?

A. YES, WHAT I SAID PREVIOUSLY.

Q. WELL, IS IT PRECISELY WHAT YOU SAID PREVIOUSLY OR IS IT THAT THE CONGRESSMAN SAID THAT THOSE NAMES SHOULD BE KEPT CONFIDENTIAL?

A. TO THE BEST OF MY RECOLLECTION CONGRESSMAN HANSEN SAID THAT THE DONORS WISHED TO REMAIN CONFIDENTIAL.

Q. HE SAID THE DONORS WISHED TO REMAIN CONFIDENTIAL?

A. BECAUSE OF THEIR REQUEST, HE WOULD NOT--

Q. ISN'T IT A FACT THAT SO FAR AS THE POLICY OF ASSOCIATION OF CONCERNED TAXPAYERS IS CONCERNED IT SAID IN ALL OF ITS LITERATURE THAT IT WOULD NOT DISCLOSE THE IDENTITY OF DONORS?

A. YES, BECAUSE WE WERE NOT LEGALLY RESPONSIBLE TO DISCLOSE THAT.

Q. I KNOW IT, BUT THAT WAS ONE OF THE REASONS IT WAS SET UP AS AN ORGANIZATION THAT WOULD NOT BE LEGALLY RESPONSIBLE OR REQUIRED TO DISCLOSE ITS DONORS.

A. YES.

Q. SO THAT THEY SHOULD REMAIN CONFIDENTIAL AND THEY WOULD NOT FEAR REPRISAL FROM THE INTERNAL REVENUE SERVICE?

A. ABSOLUTELY.

Q. ISN'T IT ALSO A FACT THAT IF YOU DISCLOSE THE NAMES OF SOME DONORS WHETHER OR NOT THEY REQUEST IT OTHER DONORS WOULD BE DETERRED BECAUSE THEY WOULD NOT KNOW WHETHER THE ONES WHOSE NAMES HAD BEEN DISCLOSED WERE DISCLOSED VOLUNTARILY OR NOT?

A. YES.

Q. IT IS TRUE THAT IF YOU ARE GOING TO HAVE AN ORGANIZATION THAT IS NOT GOING TO DISCLOSE THE IDENTITY OF DONORS, YOU ARE NOT GOING TO DISCLOSE WHETHER THEY ASK TO BE DISCLOSED, WHETHER THEY AGREE TO BE DISCLOSED, OR DON'T AGREE?

A. YES. THAT IS CORRECT.

Q. BECAUSE IF YOU DISCLOSE ONE, OTHER PEOPLE WILL THINK

YOU WILL DISCLOSE THEIR NAMES?

A. THAT IS CORRECT.

Q. AND WITH REGARD TO THESE DONORS IT WOULD HAVE BEEN TRUE THAT IF THEIR NAMES HAD BEEN DISCLOSED, OTHER PEOPLE WHO WOULD BE CONTRIBUTING TO THE ASSOCIATION OF CONCERNED TAXPAYERS WOULD FEEL THEIR NAMES WOULD SIMILARLY BE DISCLOSED?

A. THAT IS A FAIR ASSUMPTION I GUESS.

Q. THERE IS NO QUESTION IN YOUR MIND, MR. JARMIN, BUT THAT ON EVERY OCCASION THAT YOU SPOKE TO CONGRESSMAN HANSEN HE MADE IT CLEAR THAT THE MONEY HE HAD SOLICITED WHATEVER AMOUNT IT WAS OR FROM WHEREVER IT CAME HAD BEEN SOLICITED WITH THE UNDERSTANDING THAT IT WOULD GO INTO THE ASSOCIATION OF CONCERNED TAXPAYERS WHEN THAT GROUP WAS OPERATING? IS THAT TRUE?

A. TO PAY FOR THE FUNDRAISING OF THAT ASSOCIATION.

Q. TO PAY FOR THE FUNDRAISING OF THAT ASSOCIATION?

A. THAT IS CORRECT.

MR. LEWIN: THANK YOU.

THE COURT: MR. COLE?

MR. COLE: JUST A FEW QUESTIONS ON REDIRECT.

REDIRECT EXAMINATION

BY MR. COLE:

Q. MR. JARMIN, SOMEBODY DOESN'T SOLICIT A BANK LOAN, DO THEY SOMEBODY GETS A BANK LOAN?

A. I WOULD ASSUME SO.

Q. YOU SOLICIT DONATIONS, RIGHT, AND THAT IS WHAT "ACT" DID?

A. THROUGH DIRECT MAIL, YES.

Q. "ACT," -- THERE IS A LOT OF TALK HERE THAT "ACT" SAYS THEY WOULDN'T DISCLOSE THE NAME OF CONTRIBUTORS. WHO ARE WE TALKING ABOUT DISCLOSING THOSE NAMES TO?

A. WELL WE WOULD NOT MAKE THOSE NAMES AVAILABLE TO ANY GOVERNMENT SOURCE.

Q. BUT CERTAINLY YOU KNEW WHO THE DONORS TO "ACT" WERE, DIDN'T YOU, YOU KNEW WHO SENT IN CHECKS?

A. WELL, YES, OF COURSE, WE HAD A NAME ADDRESS FILE SO WE COULD CONTINUE TO MAIL THEM.

Q. YOU NEVER HAD ANY LOAN DOCUMENTS BETWEEN YOU AND CONGRESSMAN HANSEN, YOU AS TREASURER OF "ACT" AND CONGRESSMAN HANSEN, DID YOU?

A. NO.

Q. AS A MATTER OF FACT I BELIEVE YOU TESTIFIED WHEN LOOKING AT DEFENSE EXHIBIT 97 HERE THAT THIS IS THE FIRST YOU HAVE EVER SEEN OF HOW THE MONEY EVER WENT INTO "ACT", IS THAT RIGHT?

A. WELL THIS IS THE FIRST TIME I HAVE EVER SEEN A PAYMENT SCHEDULE LIKE THIS, YES.

Q. AND YOU WERE THE TREASURER OF "ACT"?

A. YES.

Q. NOW, MR. LEWIN SAID THAT YOU HAD SOME TROUBLE WITH JIM

MARTIN IN THE COURSE OF WORKING WITH "ACT", IS THAT RIGHT?

A. YES, WE DID DEVELOP INTO A RATHER UNCOOPERATIVE RELATIONSHIP.

Q. AND DIDN'T THAT HAVE TO DO WITH THE FACT THAT MR. MARTIN WASN'T SENDING BILLS TO "ACT" FOR HIS SERVICES?

A. WELL, WHAT I WANTED AND OUR ATTORNEY HAD RECOMMENDED AND OUR ACCOUNTANT HAD RECOMMENDED, THAT SINCE I WAS TREASURER THAT I KEEP COPIES AND RECORDS OF ALL THE INVOICES, DEBTS, AND BILLS THAT WE WERE OWED, IN MY OFFICE FOR FUTURE PURPOSES, FOR AUDITING OR WHATEVER.

Q. IN YOUR JOB AS TREASURER?

A. YES, RIGHT.

Q. AND DIDN'T YOU ASK JIM MARTIN FOR THOSE BILLS ON SEVERAL OCCASIONS?

A. YES.

Q. AND DID HE EVER GIVE THEM TO YOU WHEN YOU ASKED HIM?

A. EVENTUALLY HE DID. NOT THE FIRST SEVERAL TIMES WE ASKED FOR THEM.

Q. IT WAS QUITE AWHILE BEFORE HE GAVE YOU THOSE BILLS WASN'T IT.

A. YES. THAT IS TRUE.

Q. AND YOU HAD TO ACTUALLY GO TO AND COMPLAIN TO CONGRESSMAN HANSEN AND JIM MCKENNA SEVERAL TIMES FOR THEM TO TALK TO JIM MARTIN TO GET THOSE BILLS, ISN'T THAT RIGHT?

A. THAT IS CORRECT.

Q. SOME OF THOSE BILLS HAVE TO DO WITH PARTS OF THIS MEMO, ISN'T THAT RIGHT?

A. YES.

Q. AS A MATTER OF FACT THE MEMO HAS A PLACE HERE FOR SOME BILLS. I KNOW ONE IS AMERICAN MAILING LIST CORPORATION, THAT IS WHO GIVES YOU THE MAILING LISTS, ISN'T THAT RIGHT?

A. WE RENT FROM THEM.

Q. YOU RENT. AND HERE YOU HAVE AN APPROXIMATE DEBT OF 27 THOUSAND DOLLARS ACCORDING TO JIM MARTIN? IS THAT THE J. M. THERE?

A. THAT IS CORRECT

Q. YOU DON'T HAVE TO PAY FOR MAILING LISTS UP FRONT, DO YOU, MR. JARMIN?

A. NORMALLY, NO. YOU PAY THEM EVENTUALLY.

Q. AND THERE IS A NUMBER OF INITIALS BY THESE VARIOUS DEBTS THAT ARE UP HERE. IS THAT THE PERSON WHO TOLD YOU WHAT THE DEBTS ARE?

A. OR WHO WAS RESPONSIBLE -- YES, I BELIEVE -- NOW THIS IS A MEMO PREPARED BY MY WIFE SO I AM ONLY TRYING TO INTERPRET IT HERE, AS BEING THE INITIALS SYMBOLIZING PEOPLE WHO WERE RESPONSIBLE FOR DEALING WITH THE VENDOR TO WHOM THE DEBTS WERE OWED.

Q. IN APRIL 1982, YOU DIDN'T HAVE ANY BILLS IN YOUR POSSESSION ON THAT YET, DID YOU?

A. NO. WELL, VERY FEW, VERY FEW.

Q. AS A MATTER OF FACT, IT WAS MOSTLY REPRESENTATIONS FROM MR. MARTIN AS TO HOW MUCH WAS OWED, ISN'T THAT RIGHT?

A. THAT IS CORRECT.

Q. AND AS A MATTER OF FACT, THIS LINE RIGHT HERE THAT GEORGE HANSEN WAS OWED, THAT WAS JUST A REPRESENTATION FROM GEORGE HANSEN AS TO HOW MUCH HE WAS OWED, ISN'T THAT RIGHT?

A. THAT IS CORRECT.

Q. AND GOING DOWN TO THIS SECOND TO THE LAST PARAGRAPH, OF THIS MEMO, YOU HAVE SEEN THIS MEMO BEFORE, HAVEN'T YOU?

A. OH, YES.

Q. IT DISCUSSES. WELL, IF WE COULD, I DON'T KNOW IF YOU CAN SEE IT TO READ IT. COULD I HAVE THE EXHIBIT THAT GOES WITH THIS?

A. I THINK I CAN READ IT.

Q WOULD YOU READ THAT PARAGRAPH STARTING "AT THIS DATE."?

A. AT THIS POINT, YOU MEAN.

Q. AT THIS DATE?

A... I AM SORRY. "AT THIS DATE, EXPENSES PAID FROM THE "ACT" CHECKBOOK TOTAL $90,993. $78,750 HAS BEEN ISSUED TO MARTIN ADVERTISING. AT THIS POINT IT APPEARS AS THOUGH OVER 85 PER CENT OF FUNDS RAISED HAVE GONE TO OUR FUNDRAISER. THE PRESS COULD HAVE A FIELD-DAY WITH THIS. WE ARE NEEDLESSLY LEAVING OURSELVES OPEN FOR HARRASSMENT FROM THE PRESS. THEY ARE VERY CAPABLE OF THIS ON THEIR OWN AND I DON'T THINK WE NEED TO HELP

THEM. THEREFORE, I THINK WE SHOULD BEGIN BY PAYING OUR VENDORS DIRECTLY NOT THROUGH A SECOND PARTY."

Q. MR. MARTIN IS A FUNDRAISER, IS THAT RIGHT?

A. YES. THAT IS CORRECT.

Q. AND HE IS AN OLD FRIEND OF GEORGE HANSEN, ISN'T THAT RIGHT?

A. YES.

Q. HE HAS DONE A LOT OF WORK FOR GEORGE HANSEN IN THE PAST AND CONNIE HANSEN, ISN'T THAT RIGHT?

A. I ASSUME, I DON'T KNOW FOR SURE.

Q. AND ISN'T IT A FACT THAT WHEN YOU INITIALLY THOUGHT OF "ACT", YOU HAD A FUNDRAISER IN MIND WHO WAS GOING TO EXTEND CREDIT TO THE ORGANIZATION, ISN'T THAT RIGHT?

A. EXCEPT FOR POSTAGE. YES.

Q. AND CONGRESSMAN HANSEN WHEN HE CAME SAID HE DIDN'T WANT THAT FUNDRAISER ANY MORE AND PUT JIM MARTIN IN INSTEAD, ISN'T THAT CORRECT?

A. THAT IS CORRECT.

Q. AND ISN'T PART OF THE PROBLEMS YOU HAD FROM JIM MARTIN THAT HE WOULDN'T SEND YOU ANY BILLS, YOU BEING THE TREASURER OF "ACT", AS TO HOW MUCH HE WAS CHARGING "ACT"?

A. UNTIL OUR FINANCIAL STATEMENT WAS PREPARED, WE HAD NO IDEA.

Q. ISN'T IT A FACT, THAT AS MONEY CAME INTO ACT, MR. MARTIN JUST INSTRUCTED YOU TO WRITE CHECKS OUT FOR ALMOST THE

SAME AMOUNT EACH DAY TO HIM?

A. THAT BECAME A DAILY PROCEDURE.

Q. AND ISN'T IT A FACT THAT MR. MARTIN DECIDED ON HIS OWN HOW MUCH HE WAS GOING TO GET PAID AND WHEN HE WAS GOING TO GET PAID?

A. WELL, IF THERE WAS A CONTRACTUAL AGREEMENT BETWEEN HIM AND THE ORGANIZATION, WHAT THE TERMS OF THAT CONTRACT WERE I DON'T KNOW.

Q. YOU WERE NEVER INFORMED OF ANY CONTRACT BETWEEN JIM MARTIN AND THE ORGANIZATION WHEN HE WAS DOING FUNDRAISING FOR IT?

A. WE NEVER SIGNED ANY SUCH CONTRACT. AT LEAST, I DID NOT. IF HE SIGNED ONE WITH CONGRESSMAN HANSEN OR JIM MCKENNA, I AM NOT AWARE OF IT.

Q. AND YOU WERE TREASURER OF THE ORGANIZATION?

A. YES. I WAS TREASURER.

Q. AND ISN'T IT A FACT THAT JIM MARTIN GOT PAID ALMOST TWICE WHAT A NORMAL FUNDRAISER WOULD GET PAID IN THIS KIND OF SITUATION FOR WHAT HE DID?

A. ON THE FACE IT WOULD APPEAR THAT WAY ALTHOUGH IT IS HARD TO KNOW FOR CERTAIN BECAUSE I DON'T KNOW HOW MUCH WAS PAID FOR WHAT.

MR. COLE: THANK YOU, MR. JARMIN.

THE COURT: ANYTHING FURTHER?

RECROSS EXAMINATION

BY MR. LEWIN:

Q. MR. COLE HAS ASKED YOU, MR. JARMIN ABOUT THAT LINE THERE THAT HAS THE ARROW, GEORGE HANSEN, 135 THOUSAND DOLLARS. AND IT IS POINTED OUT THAT YOU SAID THAT WAS ONLY REPRESENTATION AS OF THAT TIME. IN FACT, THERE WAS ULTIMATELY AN AUDIT DONE, AND THAT FIGURE WAS BORNE OUT, WASN'T IT?

A. THERE WAS NOT AN AUDIT. A FINANCIAL STATEMENT WAS PREPARED.

Q. AND THAT INDICATED THAT IN FACT THE AMOUNT THAT HAD BEEN INVESTED OR THE AMOUNT THAT HAD BEEN PUT IN WAS IN FACT THOSE CHECKS FROM GEORGE HANSEN, AT LEAST TO THAT AMOUNT, AND INDEED, YOU SAID TO 153 THOUSAND, POSSIBLY?

A. YES. I WAS NOT CLEAR EXACTLY, BUT THOSE FIGURES ARE WHAT WE WERE INFORMED WERE THE DEBT.

Q. AND IS IT FAIR TO SAY WITH REGARD TO THE OTHER THINGS MR. COLE HAS ASKED YOU ABOUT THAT THERE WAS A VERY VIGOROUS BATTLE BETWEEN YOURSELF AND MR. MARTIN ABOUT THE TRUTH OR FALSITY OF THESE DIFFERENT ALLEGATIONS THAT MR. COLE HAS ENUMERATED, WHETHER HE WAS GETTING TOO MUCH MONEY, WHETHER HE WAS SPENDING TOO MUCH AND THINGS OF THAT KIND. THERE IS ANOTHER SIDE TO THE COIN?

A. THERE WAS AS BATTLE PRIMARILY OVER GETTING INVOICES SO WE COULD DETERMINE THE ANSWER TO THE QUESTIONS YOU RAISED.

Q. AND THERE WERE CHARGES AND COUNTERCHARGES, WERE THERE NOT?

A. YES, THERE WERE CHARGES AND COUNTERCHARGES.

Q. AND MR. MARTIN WAS MAKING SIMILAR ALLEGATIONS AGAINST YOU AS YOU WERE MAKING AGAINST MR. MARTIN?

A. WELL, THERE WERE CHARGES BEING MADE, BUT THEY WERE DIFFERENT, NOT EXACTLY THE SAME.

MR. LEWIN: THANK YOU.

MR. COLE: NOTHING FURTHER.

THE COURT: YOU MAY STEP DOWN. I JUST ASK MR. JARMIN THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED

(WITNESS EXCUSED.)

MR. COLE: THE GOVERNMENT CALLS DAVID SCOTT.

WHEREUPON,

DAVID SCOTT

WITNESS CALLED BY THE GOVERNMENT IN REBUTTAL HAVING BEEN DULY SWORN WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT. GOOD AFTERNOON, MR. SCOTT.

THE WITNESS: YOUR HONOR.

DIRECT EXAMINATION

BY MR. COLE:

Q. MR. SCOTT, YOU HAVE TESTIFIED IN THIS CASE BEFORE, IS THAT CORRECT?

A. YES, I BELIEVE IT WAS 3 DAYS AGO.

Q. JUST FOR THE RECORD BECAUSE IT HAS BEEN A LONG TIME WOULD YOU AGAIN STATE YOUR FULL NAME AND SPELL YOUR LAST NAME?

A. DAVID R. SCOTT. S C O T T.

Q. AND AGAIN, JUST FOR THE RECORD, HOW ARE YOU EMPLOYED, SIR?

A. I AM THE CHIEF COUNSEL OF THE OFFICE OF GOVERNMENT ETHICS. I WORK FOR THE UNITED STATES GOVERNMENT.

Q. AND IN THAT REGARD, MR. SCOTT, YOU ADMINISTER THE EXECUTIVE BRANCHES OFFICE THAT ADMINISTERS THE ETHICS IN GOVERNMENT ACT AND CONCERNS ITSELF WITH FINANCIAL DISCLOSURE OF EXECUTIVE BRANCH OFFICIALS?

A. THAT'S CORRECT. AMONG OTHER THINGS

MR. COLE: YOUR HONOR, WE HAVE PREVIOUSLY GONE THROUGH MR. SCOTT'S QUALIFICATIONS, AND I WOULD AGAIN SUBMIT HIM AS AN EXPERT ON THE ETHICS IN GOVERNMENT ACT.

MR. LEWIN: YOUR HONOR, WE RAISED OUR PRIOR OBJECTION, AND WE CONTINUE TO OBJECT AS PREVIOUSLY STATED.

THE COURT: ANYTHING FURTHER ON THAT? ALL RIGHT. OVER THE PRIOR OBJECTION, AGAIN, HE IS QUALIFIED AS AN EXPERT, LADIES AND GENTLEMEN.

MR. COLE: THANK YOU, YOUR HONOR.

BY MR. COLE:

Q. MR. SCOTT, JUST VERY BRIEFLY, THE ETHICS IN GOVERNMENT ACT DOES THAT HAVE SOME SECTIONS IN IT CONCERNING THE REPORTS OF THE SPOUSES OF MEMBERS OF CONGRESS?

A. MEMBERS OF CONGRESS, YES IT DOES.

Q. DOES IT SPECIFICALLY USE THE TERM, SPOUSE, IN THE

STATUTE?

A. YES, THAT TERM IS USED THROUGHOUT THE LEGISLATIVE DISCLOSURE PROVISIONS, THE EXECUTIVE BRANCH, AND THE JUDICIAL.

Q. AND AGAIN, JUST BY WAY OF REVIEW, THERE ARE REPORTING REQUIREMENTS FOR A SPOUSE, IS THAT NOT CORRECT?

A. THAT IS CORRECT.

Q. NOW, MR. SCOTT, HOW LONG HAVE YOU BEEN AN ATTORNEY?

A. APPROXIMATELY 19 YEARS.

Q. IS THERE A LEGAL USE OF THE WORD, SPOUSE? DOES IT HAVE A LEGAL SIGNIFICANCE IN AND OF ITSELF? IS IT A LEGAL TERM?

A. YES, IT IS. IT IS USED LEGALLY AND IN THE ETHICS IN GOVERNMENT ACT IT MEANS SOMEONE WHO IS A MARRIED PARTNER, IT IS EITHER HUSBAND OR WIFE.

Q. IT SPECIFICALLY MEANS HUSBAND AND WIFE IT MEANS MARRIED PEOPLE, THE INSTITUTION OF MARRIAGE, A LEGAL ARRANGEMENT, IS THAT CORRECT?

A. THAT IS CORRECT, AND OF COURSE THAT COULD ULTIMATELY, IN SOME INSTANCES BE A QUESTION OF STATE LAW, BUT THAT IS WHAT IT MEANS.

Q. ARE THERE IN THE ACT SECTIONS CONCERNING WHEN YOU DON'T HAVE TO REPORT YOUR SPOUSE'S INCOME OR TRANSACTIONS OR GIFTS?

A. ARE YOU SPEAKING ABOUT THE LEGISLATIVE BRANCH?

Q. YES.

A. YES.

Q. AND IS THAT CONTAINED IN SECTION 702 OF THE CODIFIED VERSION OF THE ACT, THE ONE THAT IS IN THE BOOKS THAT PEOPLE LOOK UP?

A. THE CODIFIED VERSION WOULD BE 702. YES. IT WOULD BE IN TWO PLACES, (D)(1)(D), AND (D)(2).

MR. COLE: I WOULD LIKE TO HAVE THIS MARKED FOR IDENTIFICATION PURPOSES.

THE DEPUTY CLERK: GOVERNMENT EXHIBIT 78 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED GOVERNMENT'S EXHIBIT 78 FOR IDENTIFICATION.)

BY MR. COLE:

Q. MR. SCOTT I AM GOING TO HAND YOU WHAT HAS BEEN MARKED FOR IDENTIFICATION, GOVERNMENT EXHIBIT 78. IS THAT SECTION 702(D) (1) AND (2). ARE THOSE CONTAINED ON THAT PAGE?

A. YES.

Q. AND THAT IS THE LAW AS IT STANDS CONCERNING WHEN A SPOUSE DOESN'T HAVE TO REPORT, IS THAT CORRECT, OR A SPOUSE'S TRANSACTIONS DON'T HAVE TO BE REPORTED?

A. THAT IS CORRECT.

Q. NOW, MR. SCOTT, WHEN PEOPLE ARE MARRIED, THEY ARE ESPOUSED, THEY HAVE A LEGAL RELATIONSHIP OF HUSBAND AND WIFE, WHAT SECTION APPLIES, IF ANY, OF THE ETHICS IN GOVERNMENT ACT AS TO WHEN THE SPOUSE'S PROPERTY TRANSACTIONS, THINGS OF THAT

NATURE, NEED NOT BE REPORTED? IF THEY ARE MARRIED WHAT SECTION APPLIES?

A. WELL, IF I UNDERSTAND YOUR QUESTION, BOTH SECTIONS, (D)(1)(D) AND (D)(2) COULD APPLY DEPENDING ON THE CIRCUMSTANCES. BOTH OF THEM GO, BOTH SECTIONS GO TO WHEN A SPOUSE OF THE GOVERNMENT OFFICIAL -- YOUR HONOR, AGAIN, IF I CAN HAVE PERMISSION. THE GOVERNMENT OFFICIAL IS THE MALE, AND FOR THE SAKE OF SIMPLICITY NOT THAT THAT IS THE WAY THE ACT IS WRITTEN BECAUSE IT CAN GO EITHER WAY. BUT THE SPOUSE IS A NONGOVERNMENT WIFE, THEN EITHER SECTION COULD APPLY DEPENDING UPON THEIR MARITAL SITUATION, AND/OR THEIR KNOWLEDGE, THE BENEFIT THEY ARE GETTING, IF ANY, FROM THE ASSETS AND THE PARTICIPATION THAT THE GOVERNMENT OFFICIAL HAD.

Q. MR. SCOTT, THERE HAS BEEN SOME TESTIMONY IN THIS CASE CONCERNING A SPECIFIC SECTION OF THIS ACT. SECTION 702(D) TWO. IS THAT ON A PIECE OF PAPER IN FRONT OF YOU?

A. YES, IT IS.

Q. WOULD YOU PLEASE READ THAT SECTION?

A. IN ITS ENTIRELY?

Q. PLEASE?

A. "NO REPORT SHALL BE REQUIRED WITH RESPECT TO A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING INDIVIDUAL WITH THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION OR WITH RESPECT TO ANY INCOME OR OBLIGATIONS OF AN INDIVIDUAL ARISING FROM THE DISSOLUTION OF

HIS MARRIAGE OR THE PERMANENT SEPARATION FROM HIS SPOUSE.".

Q. MR. SCOTT, AS AN EXPERT ON THE ETHICS IN GOVERNMENT ACT COULD YOU PLEASE TELL THE JURY WHAT THAT SECTION BASICALLY MEANS?

A. THIS SECTION IS SETTING FORTH IN THE LANGUAGE I HAVE JUST READ IN MY OPINION PLAINLY AND CLEARLY STATES THAT UNDER CERTAIN CIRCUMSTANCES, WHEN THE SPOUSE, THE HUSBAND OR WIFE OF THE GOVERNMENT OFFICIAL IS LIVING SEPARATE AND APART FROM THE GOVERNMENT OFFICIAL AND THEY ARE INTENDING TO GET A DIVORCE, IN OTHER WORDS, THEIR MARRIAGE IS DISSOLVING, EITHER THEY ARE GOING TO BE PERMANENTLY SEPARATED OR THEY ARE TAKING STEPS TO HAVE AN ACTUAL OFFICIAL DIVORCE, THEN IN THOSE CIRCUMSTANCES, THE NONGOVERNMENT SPOUSE, THE WIFE IN MY EXAMPLE, WOULD NOT -- THE PROPERTY WOULD NOT HAVE TO BE REPORTABLE.

IF YOU HAD ANY OTHER CIRCUMSTANCES, THEN THEY WOULD HAVE TO REPORT IT.

Q. SO, IS IT FAIR TO SAY THAT SECTION 702(D)(2) ONLY DEALS WITH DIVORCE OR SEPARATION CONTEMPLATING DIVORCE?

A. THAT IS RIGHT. LIVING SEPARATE AND APART WITH THE INTENTION OF GETTING DIVORCED OR WITH THE INTENTION OF GETTING PERMANENT SEPARATION.

Q. DOES THIS HAVE ANYTHING TO DO WITH A JUST A MERE ECONOMIC SPLIT OF PROPERTY OR DOES IT HAVE TO DO WITH THE MARRIAGE ITSELF?

A. IT DOES NOT HAVE TO DO WITH A MERE ECONOMIC SEPARATION.

Q. IF IT HAD TO DO WITH THE MERE ECONOMIC SPLIT OF PROPERTY, MR. SCOTT, IF THE PARTIES JUST DIVIDED THEIR MONEY, WHAT THEY OWNED AND WHAT THEY OWED, THEIR ECONOMIC LIFE, SO-TO-SPEAK,, WOULD SECTION 702(D)(2) APPLY TO THAT?

A. NO, IT CLEARLY WOULD NOT BY ITS PLAIN TERMS.

Q. IS THERE ANOTHER SECTION THAT WOULD APPLY?

A. SECTION 702(D) (1)(D) MIGHT APPLY, WITH THE 3 PRONGED TEST THAT I DESCRIBED 8 DAYS AGO.

Q. YOU SAY IT MIGHT APPLY. IT WOULD ONLY APPLY IF ALL 3 PRONGS OF THAT TEST WERE MET?

A. THAT IS CORRECT. AS I TESTIFIED BEFORE. ALL 3 PRONGS OF (D)(1)(D) MUST BE MET. THAT IS, NO KNOWLEDGE OF THE GOVERNMENT OFFICIAL OF AN ASSET. NO PARTICIPATION OF HAVING THAT ASSET OF THE WIFE COME ABOUT, AND NO ECONOMIC BENEFIT TO THE GOVERNMENT OFFICIAL FROM THAT.

Q. MR. SCOTT, YOU STATED AN OPINION HERE, THAT 702(D) (2) DOESN'T APPLY UNLESS PEOPLE ARE GOING TO GET DIVORCED OR ARE DIVORCED. WHAT IS THE SOURCE OF THAT OPINION, MR. SCOTT?

A. WELL, AS I HAVE ALREADY INDICATED THERE ARE REALLY TWO SOURCES, ONE AS I WOULD CALL THE PLAIN LANGUAGE THAT I ALREADY READ TO YOU AND TO THE JURORS AND TO JUDGE GREEN.

THE SECOND WOULD BE THE LEGISLATIVE HISTORY SUPPORTING THIS PARTICULAR SECTION, AND BY LEGISLATIVE HISTORY, OF COURSE, I MEAN THE REPORTS THAT CONGRESS ISSUED IN REGARD TO FLESHING OUT, WHICH THEY DO IN MOST BILLS, WHAT THEY INTENDED BY THIS

LANGUAGE.

Q. SO IF SOMEBODY WANTED TO FIND THE INTENT OF 702(D)(2) THE INTENT OF CONGRESS IN PASSING THAT SECTION, THEY WOULD LOOK TO REPORTS THAT CONGRESS WRITES?

A. THAT IS CORRECT. THAT IS VERY STANDARD LEGAL RESEARCH.

Q. IS THAT SOMETHING YOU BASICALLY LEARN IN YOUR FIRST YEAR OF LAW SCHOOL TO DO SOMETHING LIKE THAT?

A. HOPEFULLY.

THE DEPUTY CLERK: GOVERNMENT EXHIBIT 79 MARKED FOR IDENTIFICATION.

(WHEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED GOVERNMENT'S EXHIBIT 79 FOR IDENTIFICATION.)

BY MR. COLE:

Q. MR. SCOTT, I WOULD LIKE TO NOW HAND YOU WHAT HAS BEEN MARKED FOR IDENTIFICATION GOVERNMENT EXHIBIT 79. IS THAT SUCH A REPORT AS THAT? IS THAT A CONGRESSIONAL REPORT?

A. YES. THIS IS NOT THE COMPLETE REPORT, BUT THIS IS ONE OF THE REPORTS THAT MADE UP WHAT WAS FINALLY PASSED AS THE ETHICS IN GOVERNMENT ACT, AND IT CONTAINS THE COVER OF THIS REPORT IDENTIFYING WHAT IT IS AND PAGE 123 WHICH IS A PORTION OF THAT REPORT DEALING WITH THE SENATE'S LANGUAGE IN REGARD TO WHAT BECAME SECTION 702(D)(2).

IT IS NOT LISTED AS 702(D)(2) HERE.

Q. NOW, THIS SECTION SECTION YOU ARE TALKING ABOUT

CONCERNS THE SECTION WE ARE TALKING ABOUT HERE, ABOUT DIVORCE, IS THAT RIGHT?

A. YES, IT IS ONE OF THE REPORTS THAT WOULD GO TO MAKE UP THE LEGISLATIVE HISTORY BEHIND THIS PARTICULAR SECTION.

Q. NOW, THESE REPORTS OF CONGRESS, WHERE CAN YOU FIND THEM? ARE THEY JUST STASHED AWAY IN SOME BASEMENT OVER AT THE CAPITOL?

A. PROBABLY, BUT THEY ARE ALSO OTHER PLACES, TOO.

Q. WHAT OTHER PLACES WOULD YOU FIND THEM, MR. SCOTT?

A. THEY ARE FOUND ROUTINELY IN ALL GOOD LIBRARIES THROUGHOUT THE COUNTRY, AND, OF COURSE, THEY ARE AVAILABLE THROUGH CONGRESSMEN.

Q. AND WOULD GOOD LIBRARIES, WOULD EVERY MAJOR CITY IN YOUR OPINION IN YOUR EXPERIENCE HAVE A LIBRARY WITH THESE REPORTS IN THEM?

A. YES, ANY LIBRARY THAT WOULD HOLD ITSELF TO HAVING A LEGAL, A LAW COLLECTION, WOULD HAVE REPORTS. BECAUSE AS I SAY THIS IS STANDARD MATERIAL THAT LAWYERS MUST GO TO IF THEY THINK THE ACT IS UNCLEAR OR NEED FURTHER GUIDANCE.

Q. MR. SCOTT, I ASK YOU TO TURN TO THE SECOND PAGE OF THIS EXCERPT.

MR. COLE: YOUR HONOR AT THIS TIME I WOULD MOVE THIS EXHIBIT INTO EVIDENCE.

MR. LEWIN: NO OBJECTION.

THE COURT: IT IS IN EVIDENCE.

(WHEREUPON, GOVERNMENT EXHIBIT NO. 79
WAS RECEIVED INTO EVIDENCE.)

MR. LEWIN: DOES COUNSEL HAVE THE ENTIRE REPORT AVAILABLE?

MR. COLE: NOT PRESENTLY.

THE WITNESS: I DID NOT BRING IT.

MR. LEWIN: YOU JUST BROUGHT THE ONE PAGE?

THE WITNESS: THAT IS CORRECT.

BY MR. COLE:

Q. WOULD YOU READ FOR THE JURY BEGINNING ON THE LAST PARAGRAPH, OR THE SECOND TO THE LAST PARAGRAPH, STARTING WITH THIS SECTION?

A. WHERE YOU HAVE MARKED IT?

Q. YES, PLEASE.

A. READING FROM THE LAST FULL PARAGRAPH ON PAGE 123 OF THE REPORT. SENATE BILL 555.

MR. COLE:

Q. NOW, THIS THAT YOU ARE GOING TO READ, REFERS TO 702(D)(2)?

A. THAT IS CORRECT. IT BECAME WHEN PASSED 702(D)(2). IT SAYS STARTING THE SECOND SENTENCE, " THIS SECTION IS INTENDED TO COVER SITUATIONS WHERE A COUPLE IS LEGALLY SEPARATED, HAS SIGNED AN AGREEMENT OF SEPARATION, OR ARE LIVING SEPARATE AND APART, AND HAVE REACHED A DECISION THAT THEY INTEND TO TERMINATE THE NORMAL RELATIONSHIP OF A MARRIED COUPLE. THIS

EXEMPTION IS TO BE CONSTRUED NARROWLY, TO COVER THOSE SITUATIONS WHERE SOME ACTION HAS BEEN TAKEN OR DECISION MADE TO BREAK UP THE MARRIAGE. BUT THERE IS NO REQUIREMENT THAT THERE BE A COURT ORDER OR LEGAL SEPARATION AGREEMENT."

DO YOU WANT ME TO STOP THERE?

Q. YES. THE LEGAL SEPARATION AGREEMENT THEY ARE TALKING ABOUT, THAT HAS TO DO WITH MARRIAGE, IS THAT CORRECT?

A. THAT IS CORRECT.

Q. IT DOESN'T HAVE TO DO WITH PROPERTY, DOES IT?

A. THAT IS CORRECT.

Q. MR. SCOTT, IF A LAWYER WANTED TO KNOW WHAT THIS SECTION MEANT AND HE WANTED TO RESEARCH IT, YOU SAID HE CAN GO AND READ THIS LEGISLATIVE HISTORY AND AFTER READING THAT LEGISLATIVE HISTORY IF HE STILL HAS A QUESTION IN HIS MIND IS THERE ANOTHER PROVISION IN THE ETHICS IN GOVERNMENT ACT THAT CAN CLARIFY THIS QUESTION FOR HIM AS TO WHAT THIS SECTION MEANS?

A. YES, THERE IS.

Q. AND WHAT IS THAT PROVISION?

A. WELL, THAT PROVISION, IN THE LEGISLATIVE BRANCH -- AND NOW THERE IS AN ANALOGOUS ONE IN THE EXECUTIVE BRANCH, YOUR HONOR -- WOULD BE -- AND IN THE LEGISLATIVE BRANCH IT IS SECTION 705 -- WOULD BE TO WRITE TO THE ETHICS OFFICE THAT APPLIED TO THE PARTICULAR BRANCH. IN THIS CASE, THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, AND BY THE ACT THEY ARE REQUIRED TO GIVE AN ADVISORY OPINION ABOUT THE QUESTION.

Q. AND THEY WILL IN ESSENCE GIVE YOU AN ANSWER IF YOU HAVE A QUESTION, IS THAT RIGHT?

A. YES.

Q. MR. SCOTT, YOU HAVE ALREADY LOOKED AT GOVERNMENT'S EXHIBIT 2, WHICH IS THE INSTRUCTIONS FOR COMPLETING FINANCIAL DISCLOSURE STATEMENTS. I BELIEVE YOU HAVE LOOKED AT THAT IN YOUR TESTIMONY 8 DAYS AGO. THIS IS GOVERNMENT EXHIBIT 2 THAT I AM HANDING YOU. YOU HAVE SEEN THAT BEFORE, HAVEN'T YOU?

A. YES.

Q. THE SECTION I SHOW YOU HAS TO DO WITH A SPACE ON THE CHARTS CONCERNING WHEN YOU ARE NOT REPORTING TRANSACTIONS OF YOUR SPOUSE'S, IS THAT RIGHT?

A. YES.

Q. AND DOES IT GIVE AN INDICATION OR INSTRUCTIONS TO A MEMBER OF CONGRESS AS TO WHAT TO DO IF THEY ARE REPORTING THINGS OF THEIR SPOUSE AND THEY ARE NOT CLAIMING THE 3-PART EXEMPTION, THE KNOWLEDGE TEST, THE BENEFIT TEST, AND THE PARTICIPATION TEST THAT WE TALKED ABOUT BEFORE? DOES IT INSTRUCT THEM HOW TO MARK THAT BOX YES OR NO?

A. I AM SORRY, I AM NOT SURE I UNDERSTAND YOUR QUESTION.

MR. LEWIN: YOUR HONOR, CAN I KNOW WHAT COUNSEL IS REFERRING TO?

THE COURT: GOVERNMENT'S TWO?

MR. COLE: THE INSTRUCTION MANUAL FROM THE HOUSE OF REPRESENTATIVES.

THE WITNESS: IT IS A BOOKLET, COUNSEL, ENTITLED INSTRUCTIONS FOR COMPLETING FINANCIAL DISCLOSURE STATEMENTS REQUIRED BY ETHICS IN GOVERNMENT ACT OF 1978 FOR USE BY MEMBERS OR EMPLOYEES OF THE LEGISLATIVE BRANCH. IT IS DATED FEBRUARY 1980.

BY MR. COLE:

Q. MR. SCOTT, IF YOU COULD LOOK AT THAT SECTION?

THE COURT: IN THE BOOKLET? BECAUSE WE LOST YOU, MR. COLE. WHEN YOU ARE SOMEWHERE BEHIND THE BOARD.

MR. COLE: I AM BACK, YOUR HONOR.

THE COURT: YOU ARE BACK. ALL RIGHT.

BY MR. COLE:

Q. MR. SCOTT, THAT SECTION HAS TO DO WITH -- IF I CAN SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED GOVERNMENT'S EXHIBIT 5 B. CAN YOU SEE THAT, MR. SCOTT?

A. YES, I CAN.

Q. CAN THE JURY SEE 5 B? THERE IS A SECTION AT THE BOTTOM OF 5 B CALLED ADDITIONAL INFORMATION.

A. I AM SORRY. GOING BACK TO YOUR QUESTION THAT I DIDN'T UNDERSTAND. THERE WERE SEVERAL PARTS TO IT AND I DIDN'T KNOW WHICH ONE YOU WANTED ME TO RESPOND TO.

Q. LET'S START ALL OVER AGAIN. 5B HAS A SECTION CALLED ADDITIONAL INFORMATION. AND THE FIRST LINE OF THIS IS: ARE YOU AWARE OF ANY INTEREST IN PROPERTY OR LIAIBILITIES OF A SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS BY A SPOUSE

OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE 3 STANDARDS FOR EXEMPTION. SEE INSTRUCTIONS.

MR. SCOTT, THE PAGE I HAVE SHOWED YOU IN GOVERNMENT EXHIBIT TWO DOES THAT DEAL WITH HOW TO ANSWER THIS QUESTION?

A. YES IT DOES.

Q. COULD YOU TELL US WHAT IT SAYS AS FAR AS ANSWERING THIS QUESTION?

A. O. K.. I HAD, I BELIEVE TESTIFIED ABOUT THIS BEFORE, YOUR HONOR.

IT SAYS, " IF THE REPORTING INDIVIDUAL HAS NOT REPORTED INFORMATION CONCERNING A SPOUSE OR DEPENDENT BECAUSE --"

MR. LEWIN: I AM AFRAID I CAN'T --

THE WITNESS: IT IS PAGE 20. IT IS THE SECOND FULL PARAGRAPH UNDER THE WORD, "INSTRUCTIONS. " SHALL I AGAIN AGAIN?

THE COURT: YES.

THE WITNESS: "IF THE REPORTING INDIVIDUAL HAS NOT REPORTED INFORMATION CONCERNING A SPOUSE OR DEPENDENT BECAUSE THE 3 STANDARDS FOR EXEMPTION ARE MET, HE OR SHE SHOULD CHECK THE SPACE MARKED YES. "

Q. O. K. STOP RIGHT THERE. THAT MEANS IF THE 3 EXEMPTIONS ARE MET. THE KNOWLEDGE TEST, THE BENEFIT TEST AND THE INDEPENDENCE TEST, AND THEY ARE NOT REPORTING SOMETHING BECAUSE THEY MET ALL 3 OF THOSE STANDARDS, THEY MARK YES ON THIS BOX RIGHT HERE?

A. THAT IS CORRECT AND THAT IS WHAT THE INSTRUCTIONS SAY.

Q. COULD YOU PLEASE GO ON WITH THE INSTRUCTIONS?

A. "IF THE INDIVIDUAL IS UNMARRIED OR OTHERWISE IS NOT REQUIRED TO REPORT SUCH INFORMATION, HE OR SHE SHOULD INDICATE THAT THIS PROVISION IS NOT APPLICABLE BY MARKING N SLASH A WHICH PARENTHETICALLY MEANS NOT APPLICABLE.".

Q. NOW, MR. SCOTT, IF SOMEBODY WAS NOT GOING TO BE REPORTING SOMETHING BECAUSE THEY FELT THEY FELL WITHIN 701(D)(2), THIS MARITAL SEPARATION, IS THAT WHAT THEY APPLY TO?

A. THESE INSTRUCTIONS INDICATE THEY SHOULD MARK N/A.

Q. GO ON. IS THERE AN INSTRUCTION WHEN THEY SHOULD MARK NO?

A. THE LAST SENTENCE SAYS REFER TO THE EXPLANATION OF REPORTING REQUIREMENTS APPLICABLE TO A SPOUSE AND DEPENDENT CHILDREN ON PAGE FOUR OF THESE INSTRUCTIONS.

Q SO BASICALLY A NO HERE MEANS THERE ARE NO EXEMPTIONS APPLICABLE?

A. THAT IS CORRECT.

MR. COLE: NO FURTHER QUESTIONS AT THIS TIME, YOUR HONOR.

CROSS-EXAMINATION

BY MR. LEWIN:

Q. MR. SCOTT, LET'S JUST TAKE A LOOK AT THAT CHART FOR A MINUTE. YOU READ FROM THAT BOOK ON PAGE 20 OF INSTRUCTIONS THAT YOU SHOULD MARK N/A, IS THAT RIGHT? IF THERE IS ANY OTHER

REASON WHY -- IF THE INDIVIDUAL IS UNMARRIED OR OTHERWISE, IS NOT REQUIRED TO REPORT SUCH INFORMATION, HE OR SHE SHOULD INDICATE THAT THE PROVISION IS NOT APPLICABLE BY MARKING N SLASH A. THAT IS WHAT YOU JUST READ?

A. CORRECT.

Q. AND IT APPEARS AT PAGE 20 OF THIS INSTRUCTION BOOK?

A. RIGHT.

Q. DOES N SLASH AN APPEAR ON THE FORM, IS THERE A SPACE WHERE YOU CAN WRITE N SLASH A?

A. THERE IS NO PRINTED PLACE THAT THE N SLASH A APPEARS.

Q. IN FACT, BESIDES BEING A LAWYER, YOU UNDERSTAND ENGLISH, DON'T YOU?

A. I HOPE SO.

Q. GOOD. THERE'S A QUESTION, ISN'T THERE, ON THAT FORM: ARE YOU AWARE OF ANY INTEREST IN PROPERTY OR LIAIBILITIES OF A SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS BY A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE 3 STANDARDS FOR EXEMPTION?

AND IF SOMEONE HAS NOT REPORTED IT, BUT NOT BECAUSE THEY MEET THE 3 STANDARDS FOR EXEMPTION, JUST AS SOMEBODY WHO UNDERSTANDS THE ENGLISH LANGUAGE, WOULD YOU ANSWER THAT QUESTION YES, OR WOULD YOU ANSWER THAT QUESTION NO, IF THAT IS THE ONLY THING ON THE FORM? IS THAT A HARD QUESTION TO ANSWER, MR. SCOTT?

A. I AM NOT SURE. IS YOUR QUESTION, SIR: IS THAT A

QUESTION ON THE FORM?

Q. I AM ASKING YOU WHETHER IT AS HA[illegible] QUESTION TO ANSWER, THAT IF YOU ARE NOT REPORTING BUT NOT BECAUSE THEY MEET THE 3 STANDARD FOR EXEMPTION BUT FOR SOME OTHER REASON, SIMPLY UNDERSTANDING THE ENGLISH LANGUAGE, IF YOU WERE ASKED THAT QUESTION AND YOU HAD A BOX THAT SAID YES, AND A BOX THAT SAID NO. WOULD YOU ANSWER YES OR NO?

A. WELL, I THINK THAT IF YOU READ BOTH QUESTIONS, YOU CERTAINLY -- AND YOU READ THE INSTRUCTIONS, YOU CERTAINLY COME AWAY WITH A CLEAR --

Q. DO YOU WANT TO ANSWER MY QUESTION, MR. SCOTT?

MR. COLE: HE IS TRYING TO.

THE COURT: MR. LEWIN, HE IS TRYING TO ANSWER I THINK. LET'S HEAR WHAT HIS ANSWER IS, AND THEN IF YOU HAVE SOME MORE QUESTIONS TO ASK BY ALL MEANS DO SO.

THE WITNESS: I THINK THAT YOU WOULD UNDERSTAND READING THAT THERE IS A QUESTION THAT THEY WANT TO KNOW WHETHER YOU ARE LEAVING SOMETHING OFF THE FORM, AND THEREFORE, TO THE BEST OF MY ABILITY TO ANSWER YOUR QUESTION IS -- YES.

Q. YOU WOULD ANSWER YES?

A. IF YOU MEET THE 3-PRONGED TEST.

Q. YES, BUT ASSUME THAT THE REASON YOU LEAVE IT OFF, ARE FOR REASONS THAT HAVE NOTHING TO DO WITH THE 3-PRONGED TEST, BUT SIMPLY BECAUSE THE HOUSE ETHICS COMMITTEE KNOWS OF A SEPARATE PROPERTY AGREEMENT THAT YOU HAVE ENTERED INTO?

AND THAT IS WHY YOU HAVE LEFT IT OFF.

MR. COLE: YOUR HONOR, IF HE WANTS TO ARGUE THE CASE.

MR. LEWIN: NO, YOUR HONOR. IF THIS MAN IS AN EXPERT, I CAN ASK HIM QUESTIONS.

THE WITNESS: SIR, I AM TRYINGING TO FOLLOW YOUR QUESTION. IF I UNDERSTAND YOUR QUESTION, IN THOSE CIRCUMSTANCES, THE ANSWER WOULD BE NO, BECAUSE THE 3-PRONGED TEST IS NOT --

Q. IT IS NOT BEING INVOKED?

A. EXACTLY.

Q SO, THEN, THE ANSWER WOULD BE NO, AS BETWEEN THE TWO CHOICES ON THE FORM, THE ANSWER WOULD BE NO, WOULD IT NOT?

A. THAT IS CORRECT.

Q. THANK YOU. MR. SCOTT. YOU SAY, MR. SCOTT, THAT YOU ARE A LAWYER, AND WITH A POSITION WITH THE OFFICE OF PERSONNEL MANAGEMENT. IS IT NOT A FACT THAT LAWYERS OFTEN DIFFER ON THE MEANING OF STATUTES, WHEN THEY SEEM PLAIN TO YOU, IN YOUR EXPERIENCE AS A LAWYER, IT IS NOT SO PLAIN TO OTHER LAWYERS, DOES THAT HAPPEN TO YOU?

A. YES, IT HAS.

Q. AND YOU HAVE READ STATUTES AND SAID: GEE, THAT LOOKS VERY CLEAR TO ME, AND HAVE FOUND OTHER LAWYERS, WHOM YOU RESPECT AND WHO ARE, HAVE A GOOD BACKGROUND AND WHO SAY IT IS NOT SO PLAIN TO ME AT ALL?

A. OF COURSE, THAT HAS HAPPENED, BUT I CERTAINLY HASTEN

TO ADD THAT WHEN IT DOES, THAT IF PEOPLE SAY THAT THERE IS A DIFFERENCE OF A CLEAR MEANING OF A STATUTE, THEN OF COURSE, WE HAVE TO GO TO OTHER SOURCES, AND ONE OF THE SOURCES WOULD BE THE LEGISLATIVE HISTORY.

Q. DIFFERENCE OF A CLEAR -- WHO TOLD YOU THAT THERE WAS AS DIFFERENCE HERE AS TO A CLEAR MEANING OF A STATUTE? HAVE YOU BEEN TOLD?

A. NO. I HAVE SAID, SIR, THAT IN MY OPINION, I THINK THIS STATUTE ITSELF IS CLEAR. I DON'T THINK YOU HAVE TO GO ANY FURTHER THAN THE STATUTE ITSELF. HOWEVER, YOU ARE ASKING ME HAS IT HAPPENED THAT PEOPLE DIFFER FROM MY OPINION. OF COURSE I WOULD HAVE TO ANSWER THE ANSWER IS YES. IF THAT OCCURS THEN I WOULD SAY WE WOULD HAVE TO GO FURTHER AND SEE IN EFFECT WHOSE INTERPRETATION WAS CORRECT.

Q. BEFORE WE GET TO THE LEGISLATIVE HISTORY, MR. SCOTT, IT IS A FACT, IS IT NOT, THAT THE POLICY OF A STATUTE IS LOOKED TO IN DETERMINING WHAT WORDS MEAN?

A. CERTAINLY, YES.

Q. HAVE YOU READ THE OPINION?

THE COURT: EXCUSE ME, OUR REPORTER IS ASKING TO MAKE A CHANGE WITH THE OTHER REPORTER. TEN SECONDS.

BY MR. LEWIN:

Q YOU'RE A LEGAL EXPERT, MR. SCOTT. HAVE YOU READ THE OPINION OF THE SUPREME COURT IN CHAPMAN VS. HOUSTON WELFARE RIGHTS ORGANIZATION, 441 U.S. 600?

A I HAVE NO INDEPENDENT RECOLLECTION OF IT.

Q SO YOU DON'T KNOW WHAT THE SUPREME COURT SAID WHEN IT SAID THAT "THE TASK OF FEDERAL COURTS WHEN ENGAGING IN STATUTORY CONSTRUCTION IS TO INTERPRET THE WORDS OF THE STATUTE IN LIGHT OF THE PURPOSES CONGRESS SOUGHT TO SERVE." BUT YOU HADN'T READ THAT CASE?

A MR. LEWIN, I PROBABLY HAVE READ THE CASE. I'VE SAID THAT I HAVE NO INDEPENDENT RECOLLECTION OF CERTAINLY CASES THAT I JUST READ YESTERDAY, OF --

Q I SEE. YOU'RE --

A WITHOUT --

Q GO AHEAD.

A WITHOUT GOING THROUGH AS TO THE HOLDINGS, THE FACTS AND EVERYTHING. I HAVE NO INDEPENDENT RECOLLECTION OF IT.

Q HAVE YOU READ THE OPINION OF THE SUPREME COURT IN THE CASE OF PHILBROOK VS. BLODGETT?

MR. COLE: YOUR HONOR, CAN WE APPROACH THE BENCH?

THE COURT: YES. INDEED, YOU SHOULD.

(AT THE BENCH)

THE COURT: WHAT IS THE PROFFER AS WE ARE GETTING INTO THE REALM OF CLEAR LAW?

MR. LEWIN: WELL, YOUR HONOR, THIS POINTS UP THE ABSURDITY OF PERMITTING THIS MAN TO TESTIFY. IF I AM NOT -- IF HE CAN TESTIFY, THEN I'M ENTITLED TO GO INTO THE ENTIRE BASIS OF LEGAL JUDGMENTS THAT HE HAS MADE, POINTING OUT THAT HE IS IGNORANT OF PROPOSITIONS OF LAW WITH REGARD TO LEGISLATIVE CONSTRUCTION, TO DEMONSTRATE THAT TO THE JURY.

THIS MAN IS SIMPLY A HIRED HAND ON THE PART OF THE PROSECUTION, AND HE GETS UP THERE AND HE SAYS WHATEVER HE WANTS -- WHATEVER THEY WANT, AND ON A QUESTION OF LAW. AND IT IS PERFECTLY INAPPROPRIATE FOR HIM TO TESTIFY. I CAN DEMONSTRATE --

THE COURT: MR. LEWIN, I DON'T KNOW WHETHER YOU SHOULD BE IMPUGNING THE INTEGRITY OF THE WITNESS. I HAVEN'T HEARD THE INTEGRITY OF YOUR WITNESSES IMPUGNED IN LIKE MANNER.

MR. LEWIN: NO.

THE COURT: AND LITERALLY, WITHOUT ANY OTHER BASIS THAN WHAT YOU HAVE JUST SAID, I FIND THAT THAT IS REALLY REPREHENSIBLE.

MR. LEWIN: ALL RIGHT, YOUR HONOR.

THE COURT: AS FAR AS MR. SCOTT'S TESTIMONY IS CONCERNED, HE HAS NOT DISAGREED WITH YOU THAT LAWYERS DIFFER ON MATTERS OF MOMENT. AND HE HAS INDICATED TO YOU WHAT THEY GO TO TO LOOK TO WHEN THERE ARE DIFFERENCES.

CLEARLY, MR. RUNFT TESTIFIED HE WENT TO THE LEGISLATIVE HISTORY, AND HE DID HIS RESEARCH IN SOME LIBRARY, I UNDERSTOOD, IN IDAHO. SO IT IS FAIR TO ASK ABOUT LEGISLATIVE HISTORY, SINCE MR. RUNFT SAID HE WENT TO LEGISLATIVE HISTORY.

MR. LEWIN: AND IT'S FAIR TO ASK HIM WHETHER HE KNOWS ABOUT THE PRINCIPLES OF THE SUPREME COURT THAT APPLY WITH REGARD TO THE POLICY OF STATUTES, THAT APPLY WITH REGARD TO NOT READING STATUTES SO AS TO ACHIEVE INCONSISTENT RESULTS. I CAN GO THROUGH THE ENTIRE SEQUENCE, YOUR HONOR.

THE COURT: WELL, IN THIS COURTROOM, I WILL TELL YOU RIGHT NOW, MR. LEWIN, YOU ARE NOT GOING TO GO THROUGH SUPREME COURT CASES FOR TOTAL CONFUSION OF THE JURY. YOU CERTAINLY CAN GO AHEAD AND ASK QUESTIONS OF MR. SCOTT TO BRING FORTH WHAT I BELIEVE IS THE PRINCIPLE THAT YOU WISH TO BRING FORTH, AND THAT IS THAT LAWYERS DO DIFFER AS TO VARIOUS MATTERS AND THAT THERE ARE CERTAIN STATUTORY CONSTRUCTIONS TO BE FOLLOWED WHICH ARE LEGAL CONSIDERATIONS.

MR. LEWIN: YES.

THE COURT: BUT OTHER THAN TRYING TO CONFUSE THE JURY WITH WHAT IS A LEGAL CONSIDERATION, TO SAY HAVE YOU READ SUPREME COURT DECISION SO-AND-SO --

MR. LEWIN: YOUR HONOR, IF HE WERE AN EXPERT IN MEDICINE, I COULD ASK HIM WHETHER HE HAS READ MEDICAL TEXTS.

THE COURT: OF COURSE YOU COULD.

MR. LEWIN: THERE'S NO REASON WHY I CANNOT ASK THIS MAN WHETHER HE HAS READ SUPREME COURT DECISIONS. IF I CAN ASK HIM WHETHER HE HAS READ SOME MEDICAL TEXT, I CAN ASK HIM

IF HE HAS READ SUPREME COURT DECISIONS.

THE COURT: YOU CERTAINLY CAN ASK HIM IF HE HAS READ SUPREME COURT DECISIONS, CIRCUIT COURT DECISIONS, AND DISTRICT COURT DECISIONS AND LOCAL DECISIONS, WITHOUT SPECIFYING IN THE DECISIONS, "DO YOU REMEMBER THIS DECISION." MR. LEWIN, THERE WOULD BE A TOTAL CONFUSION OF THE JURY AS TO MATTERS THAT ARE CLEARLY IN THE REALM OF LAW.

YOU CERTAINLY HAVE THE LATITUDE TO EXAMINE THIS WITNESS AS TO HIS KNOWLEDGE OF THE ACT, AS TO HOW HE HAS CONSTRUED IT, AND TO EMPHASIZE THE FACT THAT LAWYERS DO DIFFER AND MAY COME TO DIFFERENT CONCLUSIONS. CLEARLY, THAT IS FAIRLY WITHIN YOUR PROVINCE ON CROSS-EXAMINATION OF THIS WITNESS. BUT TO CONFUSE THE JURY IS WRONG.

MR. LEWIN: YOUR HONOR, I MUST SAY I OBJECT TO YOUR HONOR'S STATING TO ME THAT I CONFUSE THE JURY. I THINK IF I AM -- I SAY AGAIN, I COULD ASK ABOUT SPECIFIC MEDICAL TEXT IF HE WERE A DOCTOR, ABOUT SPECIFIC PSYCHOLOGICAL TEXT IF HE WERE A PSYCHOLOGIST. AND I AM NOT DOING IT TO CONFUSE THE JURY. I AM DOING IT TO DEMONSTRATE THAT THIS MAN IS NO MORE OF AN EXPERT ON THIS PROPOSITION, ON THE QUESTION OF CONSTRUCTION OF STATUTES, THAN ANY OTHER LAWYER IN THE STREET. THAT'S PRECISELY THE POINT. AND I COULD DO IT WITH REGARD TO MEDICINE BY SHOWING THAT HE IS IGNORANT OF MEDICAL TEXT; I CAN DO IT WITH REGARD TO STATUTES --

THE COURT: YOU HAVE ALREADY BROUGHT FORTH TWO

SUPREME COURT CASES, AND THAT'S AS FAR AS IT WILL GO; ALL RIGHT?

MR. LEWIN: ALL RIGHT. IF THAT'S YOUR HONOR'S RULING.

THE COURT: YOU HAVE MADE YOUR POINT.

(IN OPEN COURT)

BY MR. LEWIN:

Q THERE ARE SUPREME COURT CASES, MR. SCOTT, THAT INDICATE THAT YOU LOOK TO THE POLICY OF THE STATUTE, DON'T YOU, IN ADDITION TO THE LEGISLATIVE HISTORY?

A YES, SIR. THERE ARE MANY CASES -- IF I CAN ELABORATE ON THAT -- THAT GO INTO HOW YOU SHOULD GO ABOUT LOOKING AT LEGISLATIVE HISTORY. AND --

Q WHAT'S THE --

A EXCUSE ME. I DIDN'T MEAN TO SAY LEGISLATIVE HISTORY. I MEANT TO SAY INTERPRETING A STATUTE.

THE PLAIN MEANING OF THE -- THE MEANING, IF IT IS PLAIN, OF THE STATUTE, THE POLICY BEHIND THE STATUTE, THE LEGISLATIVE HISTORY; THOSE ARE CERTAINLY THREE OF THE MAIN ONES.

Q CAN YOU NAME OTHERS? YOU'RE AN EXPERT. NAME OTHERS.

A I'M SURE IF YOU READ ME SOME MORE CASES, I COULD THINK OF OTHER SITUATIONS. MANY TIMES, THE PURPOSE OF A STATUTE IS RIGHT IN THE PREAMBLE. THAT IS MANY TIMES CONSIDERED DETERMINATIVE.

Q CONSTRUING TWO PROVISIONS OF A STATUTE SO THAT THEY SHOULD BE CONSISTENT? IS THAT A DOCTRINE OF STATUTORY CONSTRUCTION?

A I'M SORRY?

Q CONSTRUING TWO PROVISIONS OF A STATUTE SO THAT THEY SHOULD BE CONSISTENT WITH EACH OTHER?

A CORRECT. THERE ARE MANY OTHERS. YOU SHOULD CONSTRUE THEM SO THAT THEY ARE NOT NULLITIES, THAT THEY ARE NOT CONTRARY TO SOMETHING THAT IS PUBLIC POLICY, THAT IT'S POSSIBLE TO GIVE IT A CONSTITUTIONAL INTERPRETATION. IT COULD GO ON AND ON.

Q THERE ARE, IN FACT, A LONG, LONG LINE OF CONSIDERATIONS THAT GO INTO HOW ONE CONSTRUES A STATUTE, AND LAWYERS USE THAT; RIGHT?

A THAT IS CORRECT.

Q AND LAWYERS DIFFER AND THEY DISAGREE BECAUSE SOME LAWYERS THINK ONE OF THOSE FACTORS IS MORE IMPORTANT, ANOTHER LAWYER THINKS ANOTHER ONE OF THOSE FACTORS IS MORE IMPORTANT; IS THAT CORRECT?

A THAT CERTAINLY HAPPENS.

Q ALL RIGHT. AND THE ONLY THINGS THAT YOU HAVE CITED IN YOUR DISCUSSION WITH MR. COLE HAS BEEN YOUR VIEW OF THE LANGUAGE OF THE STATUTE AND YOUR VIEW OF THE LEGISLATIVE HISTORY OF THE STATUTE. THOSE ARE THE ONLY TWO THINGS.

A THAT'S WHAT I WAS ASKED ABOUT. THAT'S CORRECT.

Q ALL RIGHT. AND EVEN AS TO THE LEGISLATIVE HISTORY OF THE STATUTE, YOU READ US A SENTENCE, DID YOU NOT, FROM PAGE 123 OF THIS REPORT THAT YOU SAY IS ALL OVER THE COUNTRY, PUBLIC OFFICIALS INTEGRITY ACT OF 1977. THAT'S NOT WHAT THE LAW WAS CALLED, WAS IT? THE PUBLIC OFFICIALS INTEGRITY ACT OF 1977. THAT'S THE COVER.

A NO, SIR. THERE WERE SEVERAL, IN FACT, VERSIONS OF THE BILL THAT LATER BECAME CALLED THE ETHICS IN GOVERNMENT ACT. THIS WAS ONE: SENATE BILL 555. THERE WERE OTHERS.

Q OH. SO THIS IS NOT EVEN THE REPORT THAT ACCOMPANIES THE FINAL VERSION OF THE ACT. THIS IS SOME LONG REPORT THAT ACCOMPANIES AN EARLIER VERSION OF WHAT ULTIMATELY BECAME THE ETHICS IN GOVERNMENT ACT.

A THE OTHER REPORTS ARE CONSISTENT WITH THIS ONE, AND THE OTHER REPORTS, IN EFFECT, MAKE THIS AN AUTHORITATIVE SOURCE.

Q I SEE. THEY MAKE THIS AN AUTHORITATIVE SOURCE?

A YES. IF YOU WANT, I WILL TRY TO GIVE AN EXPLANATION OF HOW THAT IS.

Q THAT'S ALL RIGHT.

YOU SAID -- NOW, THIS IS PAGE 123 OF THIS REPORT, IS THAT RIGHT? SO IT'S A PRETTY THICK REPORT.

A THAT'S CORRECT.

Q AND AT PAGE 123 OF THIS REPORT, YOU READ A SENTENCE THAT SAYS: "THIS SECTION IS INTENDED TO COVER SITUATIONS

WHERE A COUPLE IS LEGALLY SEPARATED, HAS SIGNED AN AGREEMENT OF SEPARATION, OR ARE LIVING SEPARATE AND APART AND HAVE REACHED A DECISION THAT THEY INTEND TO TERMINATE THE NORMAL RELATIONSHIP OF A MARRIED COUPLE."

ISN'T IT A FACT, MR. SCOTT, THAT ONLY THE THIRD, ONLY THAT LANGUAGE THAT FOLLOWS THE WORD "OR" COVERS THE SITUATION THAT YOU DESCRIBED IN YOUR ANSWER TO MR. COLE WAS THE FULL MEANING OF THIS PROVISION OF THE STATUTE?

A AGAIN, SIR, I'M NOT SURE I UNDERSTAND YOUR QUESTION FULLY, BUT THERE IS ANOTHER SITUATION MORE THAN JUST AFTER THE "OR". THERE'S A SITUATION WHERE THEY ARE LIVING SEPARATE AND APART AND GOING TO GET A PERMANENT SEPARATION.

Q I UNDERSTAND. BUT -- LET ME GO BACK. IN ANSWER TO MR. COLE, YOU SAID THAT THIS SUBSECTION 2 YOU SAID APPLIES -- AND THAT'S MY RECOLLECTION -- AND THAT ALL THAT IT IS INTENDED TO DO IS IT'S INTENDED TO COVER PEOPLE WHO LIVE SEPARATE AND APART WITH THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION. THAT'S WHAT YOU SAID IT'S INTENDED TO COVER.

A THAT'S RIGHT. AND THEN I READ FURTHER THAT THERE'S SITUATIONS BETWEEN THE TWO OF THEM IN REGARD TO DISSOLUTION OF THEIR MARRIAGE, AS WELL, WHEN THAT'S DISSOLVING.

Q I UNDERSTAND. BUT IN ANSWER TO MR. COLE YOU SAID THAT THAT IS THE SITUATION THAT IS INTENDED TO BE COVERED BY THIS SECTION: PEOPLE WHO LIVE SEPARATE AND APART. THE

ONLY --

A THAT'S ONE OF THE SITUATIONS THAT -- THE GENERALIZATION, SIR, WOULD BE THAT THIS SECTION (D)(2) GOES TO SITUATIONS WHERE THE MARRIAGE IS BREAKING UP. IT EITHER IS LEADING TO INTENDED TO BE DIVORCED OR PERMANENT SEPARATION. IT IS THE BREAK-UP OF THE MARITAL SITUATION, IS THE KERNEL OF (D)(2), IN MY OPINION.

Q THAT'S YOUR OPINION.

NOW, IF YOU LOOK AT THAT LANGUAGE IN THE LEGISLATIVE HISTORY, IT SAYS IT COVERS THREE CASES: LEGALLY SEPARATED, HAS SIGNED AN AGREEMENT OF SEPARATION, OR ARE LIVING SEPARATE AND APART AND HAVE REACHED A DECISION THAT THEY INTEND TO TERMINATE THE NORMAL RELATIONSHIP OF A MARRIED COUPLE. THE SECOND OF THOSE DISJUNCTIVES IN THAT LEGISLATIVE HISTORY SPEAKS ABOUT SIGNED AN AGREEMENT OF SEPARATION, DOES IT NOT?

A YES. AND IN MY OPINION, IT'S TALKING ABOUT A SEPARATION WHERE THE MARRIAGE IS DISSOLVING.

Q AH! THAT'S YOUR OPINION; IS THAT RIGHT?

A YES.

Q IS IT POSSIBLE THAT A LAWYER COULD EVEN READ THAT LEGISLATIVE HISTORY AND SAY "AGREEMENT OF SEPARATION" MEANS AN AGREEMENT OF ECONOMIC SEPARATION? IT SPEAKS ONLY OF "AGREEMENT OF SEPARATION."

A I THINK THAT YOU'D HAVE TO TAKE IT OUT OF CONTEXT TO REACH THAT CONCLUSION, SIR.

Q YOU THINK SO. BUT IN TERMS OF DISAGREEMENTS WITH LAWYERS, YOU'VE HAD DISAGREEMENTS WITH LAWYERS WHERE THERE HAS BEEN EQUAL OR GREATER DIFFERENCES BETWEEN YOURSELF AND SOME LAWYER WHO READS A STATUTE DIFFERENTLY THAN YOU DO. ISN'T THAT TRUE? IS THIS AN ENORMOUS GULF AND AN IMPOSSIBLE READING OF THIS LANGUAGE, THAT "AGREEMENT OF SEPARATION" MEANS OF ECONOMIC SEPARATION?

A WELL, LET ME ANSWER THIS THE BEST WAY I CAN, SIR.

I WOULD NOT, CERTAINLY, SEE HOW THAT COULD BE REACHED FROM THIS LANGUAGE, THAT IT REACHES ECONOMIC SEPARATION, WHEN THE WHOLE THRUST OF THE PARAGRAPH THAT WE'RE TALKING ABOUT IS TALKING ABOUT SEPARATIONS IN REGARD TO MARITAL SEPARATIONS.

Q BUT YOU WOULDN'T DENY THAT A LAWYER WHO GRADUATED FROM A LAW SCHOOL AND PRACTICES LAW COULD READ THAT LANGUAGE AND SAY IT MEANS AGREEMENT OF ECONOMIC SEPARATION. IT'S DIFFERENT FROM LIVING SEPARATE AND APART. IT SAYS "AGREEMENT OF SEPARATION." IT COULD MEAN AGREEMENT OF ECONOMIC SEPARATION, EVEN THOUGH YOU DON'T THINK IT DOES.

A WELL, SIR, I CAN ONLY ANSWER THAT BY SAYING YOU HAVE TO TAKE THE WHOLE PARAGRAPH, AND YOU LOOK -- IF THERE IS SOME CONFUSION, YOU LOOK IN OTHER SECTIONS OF THE LEGISLATIVE HISTORY, AND I THINK YOU COME TO A CONTRARY ANSWER, THAT IT DOES NOT DEAL WITH ECONOMIC SEPARATION.

Q ARE YOU NOT WILLING TO AGREE WITH ME THAT THAT'S

LEGALLY ARGUABLE?

A SIR, CERTAINLY SOMEBODY COULD DIFFER WITH ME, AND WHAT IS LEGALLY ARGUABLE, I'M NOT TO SAY.

Q IT IS LEGALLY ARGUABLE, ISN'T IT?

A AS MY LAW PROFESSOR USED TO SAY, ANYTHING IS LEGALLY ARGUABLE. THE QUESTION IS: IS IT CORRECT?

Q I AGREE WITH YOUR LAW PROFESSOR. THANK YOU.

THE COURT: MR. COLE.

REDIRECT EXAMINATION

BY MR. COLE:

Q MR. SCOTT, MR. LEWIN TALKED A GREAT DEAL ABOUT POLICY IN THE SITUATION, ISN'T THAT RIGHT? THAT'S ONE OF THE WAYS TO FIND OUT WHAT A STATUTE MEANS, IS TO LOOK TO ITS POLICY?

A THAT'S ONE OF THE WAYS, YES.

Q I WOULD LIKE TO SHOW YOU I BELIEVE IT'S GOVERNMENT'S EXHIBIT 1, WHICH IS THE ETHICS IN GOVERNMENT ACT. AND IN THE BEGINNING THERE IS A STATEMENT OF THE ACT'S POLICY; IS THAT NOT CORRECT?

A THAT IS CORRECT.

Q AND IF YOU WOULD READ THE PURPOSE OF THE ACT, IS THAT NOT ITS POLICY?

A YES. AGAIN, YOUR HONOR, I READ THIS I BELIEVE EIGHT DAYS AGO, BUT IT'S ON PAGE 1 OF THE ETHICS IN GOVERNMENT ACT, AND IT STARTS: "THE PURPOSE OF THIS" -- IT'S THE SECOND

SENTENCE. "THE PURPOSE OF THIS ACT IS TO PRESERVE AND PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY OF FEDERAL OFFICIALS THROUGH FINANCIAL DISCLOSURE, POST-GOVERNMENT EMPLOYMENT RESTRICTIONS, AND INDEPENDENT INVESTIGATIONS OF ALLEGED WRONGDOING BY GOVERNMENT OFFICIALS."

DO YOU WANT ME TO CONTINUE?

Q THAT'S ENOUGH, MR. SCOTT.

IF TWO PEOPLE, MR. SCOTT, ENTERED INTO A PROPERTY SEPARATION AGREEMENT, AN ECONOMIC AGREEMENT, AND THEN NEVER FULFILLED THE AGREEMENT, THEY NEVER SEPARATED THEIR PROPERTY, THEY CONTINUED TO OWN CARS, TO OWN PROPERTY, TO SELL PROPERTY, TO HAVE DEBTS THAT THEY PAY OFF TOGETHER, WHAT WOULD THAT DO TO THE POLICY IF THEY SAID THEY DIDN'T HAVE TO REPORT?

A I AM TO ASSUME THOSE FACTS?

Q YES.

A IT WOULD DEFEAT IT.

MR. COLE: THANK YOU, SIR.

THE COURT: MR. LEWIN?

MR. LEWIN: NO FURTHER QUESTIONS.

THE COURT: ALL RIGHT. YOU ARE EXCUSED, MR. SCOTT. I CONTINUE TO SAY PLEASE DO NOT DISCUSS THE CASE WITH ANY OTHER POSSIBLE WITNESS IN THIS MATTER UNTIL THE MATTER IS CONCLUDED.

THE WITNESS: THANK YOU, YOUR HONOR. NOW, THESE ARE EXHIBITS.

THE COURT: ANYTHING THAT IS AN EXHIBIT I WOULD ASK THAT YOU LEAVE UP THERE OR GIVE TO THE MARSHAL.

MR. COLE: I'LL RETRIEVE ALL THE EXHIBITS, YOUR HONOR. THANK YOU.

THE COURT: ALL RIGHT. COUNSEL.

(AT THE BENCH)

THE COURT: DOES THAT COMPLETE THE WITNESSES WE ARE GOING TO HAVE THIS EVENING? ALL RIGHT.

LET ME TELL THE JURY TO BE HERE AT -- SHOULD WE SAY 9:30 TOMORROW MORNING? AND AT THAT TIME WE WILL HAVE THE REST, OR THE REMAINING ONE, WHATEVER IT MAY BE, OF YOUR REBUTTAL WITNESSES. AT THE MOMENT YOU EXPECT MORE THAN ONE? TWO. ALL RIGHT. TWO. BUT THAT CAN BE COMPLETED, AS BEST AS YOU CAN TELL, WITH CROSS, BY 12-ISH OR SO.

AT THE MOMENT, DO YOU EXPECT ANY SURREBUTTAL?

MR. LEWIN: NO, YOUR HONOR.

THE COURT: ALL RIGHT. OF COURSE, IT IS OPEN TILL THIS IS COMPLETED, SO THAT YOU WILL HAVE THAT POSSIBILITY.

LET ME JUST TELL THE JURY FOR NOW THAT IT MAY -- I THINK I BETTER NOT TELL THEM ANYTHING OTHER THAN WE WILL SEE THEM AT 9:30 TOMORROW MORNING, WITHOUT ANY ADDITION TO IT. WE WILL TAKE IT AS IT COMES TOMORROW MORNING.

ALL RIGHT. HAVE A GOOD EVENING.

(IN OPEN COURT)

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE

ARE GOING TO RECESS AT THIS TIME AND HAVE THE CONTINUATION OF THE REBUTTAL TESTIMONY TOMORROW MORNING. WE WILL START TOMORROW MORNING AT 9:30. AND WE HOPE THAT YOU CONTINUE TO HAVE A GOOD EVENING AND THAT YOU HAVE A GOOD DINNER WAITING FOR YOU.

I HAD A LITTLE WHILE AGO ALERTED THE MARSHALS THAT YOU MIGHT BE LEAVING A LITTLE EARLIER THIS EVENING. IT WAS HARD FOR US TO PREDICT AT THAT TIME. SO, HOPEFULLY, YOUR TRANSPORTATION WILL SOON BE READY, IF IT IS NOT READY AT THIS POINT. AND SIMILARLY FOR YOUR MEAL, TO BE IN CONJUNCTION WITH THE SCHEDULE THAT WE ARE HAVING HERE.

IN ANY EVENT, HAVE A GOOD EVENING. DO NOT DISCUSS THE CASE, PLEASE, WITH ANYONE. WE WILL SEE YOU TOMORROW MORNING, AS EVERYONE ELSE IN THE COURTROOM, 9:30 -- EVERYONE ELSE WHO IS A PRINCIPAL IN THE COURTROOM.

(WHEREUPON, AT 5:52 P.M., THE TRIAL WAS ADJOURNED, TO RECONVENE AT 9:30 A.M., FRIDAY, MARCH 30, 1984)

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

Shirley Popejoy
SHIRLEY POPEJOY
OFFICIAL COURT REPORTER

MINDI COLCHICO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - X

UNITED STATES OF AMERICA

VS.

GEORGE VERNON HANSEN,

DEFENDANT

- - - - - - - - - - - - - - - - - - X

CRIMINAL ACTION
NO. 83-75

VOLUME NO. 10

WASHINGTON, D. C.

FRIDAY, MARCH 30, 1984

THE ABOVE-ENTITLED MATTER CAME ON FOR FURTHER TRIAL BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 9:30 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX

WITNESS	DIRECT	CROSS	VOIR DIRE	REDIRECT	RECROSS
RICHARD NIELSON	1630	1640 1648	1647	1655	1655
ROBERT G. ROWE, III	1657	1662		1668	

EXHIBIT	FOR IDENTIFICATION	IN EVIDENCE
GOVERNMENT'S		
80		1633
81-A		1634
81-B		1635
81-C		1636
81-D		1656
82 AND 83		1639
84		1640
85		1658
86		1660
DEFENDANT'S		
89	1643	
90	1663	

PROCEEDINGS

THE COURT: GOOD MORNING.

MR. LEWIN: COULD WE JUST APPROACH THE BENCH A MOMENT, YOUR HONOR?

THE COURT: I DON'T KNOW HOW I COULD HAVE STARTED A DAY WITHOUT AN APPROACH TO THE BENCH BY ONE SIDE OR THE OTHER. WHY NOT DO IT TODAY. ALL RIGHT.

(AT THE BENCH)

MR. LEWIN: THIS IS JUST ON A PERSONAL MATTER. I KNOW YOUR HONOR'S PLAN IS TO RECESS AT THE CONCLUSION OF THE TESTIMONY THIS MORNING OVER THE WEEKEND, UNTIL MONDAY.

THE COURT: UNLESS, OF COURSE, YOU HAD SOME SURREBUTTAL, AND THEN I ASSUMED MR. COLE WOULD STAY FOR THAT.

MR. LEWIN: RIGHT. I DON'T HAVE ANY EXPECTATION THAT WE WILL. MY REQUEST ONLY IS THAT -- IT IS A COMBINATION OF FACTORS. OBVIOUSLY, BOTH MR. WEINGARTEN AND MY RELIGIOUS--

THE COURT: I CERTAINLY UNDERSTAND.

MR. LEWIN: AND I WOULD APPRECIATE IT IF YOUR HONOR WOULD NOT TELL THE JURY THAT THERE WAS ANY MATTER OF RELIGIOUS COMMITMENT BY COUNSEL.

THE COURT: I DON'T INTEND TO. I DON'T INTEND TO.

MR. LEWIN: O.K. BECAUSE I DON'T WANT THE JURY TO THINK THAT -- I THINK THEY MIGHT ASSOCIATE IT WITH ME IN SOME WAY.

THE COURT: I AM NOT GOING TO SAY THAT. I AM JUST

GOING TO SAY THERE ARE SOME MATTERS THAT COUNSEL AND THE COURT HAVE TO ADDRESS TOGETHER, WHICH IS CERTAINLY TRUE -- I AM NOT SAYING WHICH COUNSEL -- AND THAT IT IS GOING TO TAKE US SOME TIME TO DO THAT, AND RATHER THAN KEEP YOU HERE AND STOP AND START, WHAT WE PLAN TO DO IS TO, IF WE ARE AT THAT POINT, LET YOU HAVE CLOSING ARGUMENTS ON MONDAY MORNING, SO THAT THEY CAN PLAN THEIR WEEKEND, AND INSTRUCTIONS IMMEDIATELY AFTER LUNCH IF OUR PLANS AND TIME GO ACCORDINGLY, AND YOU WILL HAVE THE CASE HOPEFULLY SOMETIME BETWEEN 2:00 AND 3:00 O'CLOCK TO START YOUR DELIBERATIONS. THIS WAY, THEY CAN PLAN OVER THE WEEKEND THAT IT'S GOING TO END. THAT'S IT.

MR. LEWIN: O.K. I JUST DON'T WANT THEM TO THINK THEY ARE BEING HELD OVER THE WEEKEND BECAUSE OF A RELIGIOUS COMMITMENT ON THE PART OF ANY COUNSEL.

THE COURT: NO, I OBVIOUSLY WOULDN'T SAY THAT.

AND I'M REGRETFUL I HAVE TO DO IT, BUT I THINK IT'S THE ONLY WAY TO DO IT AND NOT TO DO IT PIECEMEAL.

MR. LEWIN: I UNDERSTAND.

THE COURT: WHICH WOULD NOT BE GOOD FOR EITHER SIDE, TO DO IT PIECEMEAL, AND FOR THE JURY AND FOR ALL OF US.

SO I HAVE ALREADY TALKED TO THE MARSHALS TO TELL THEM TO HAVE AN ACCOMMODATION HERE CLOSER TO 12:00 TODAY THAN THEIR USUAL TIME, TO GIVE THEM SOME KIND OF ENTERTAINMENT THIS EVENING, AND DO SOMETHING WITH THEM THAT WILL REALLY KEEP THEM HAPPY AND BUSY THIS WEEKEND. AT LEAST THEY CAN IN

THEIR MINDS THINK, I HOPE, THIS IS THE LAST WEEKEND THEY WILL BE WITH US.

MR. LEWIN: RIGHT. BUT IN TERMS OF GOING OVER THE WEEKEND, THEY WILL KNOW THAT THAT IS JUST A MATTER OF COURT CALENDAR.

THE COURT: DON'T WORRY ABOUT IT. WHATEVER I SAY WILL NOT INVOLVE ANY SPECIFIC COUNSEL. JUST, IN EFFECT, THAT WE HAVE OUR WORK TO DO.

MR. LEWIN: GOOD.

THE COURT: ALL RIGHT?

MR. LEWIN: THANK YOU.

THE COURT: GOOD.

(IN OPEN COURT)

THE COURT: NOW, ARE WE READY FOR THE JURY? I THINK SO. WILL YOU BRING THE JURY IN, PLEASE.

MAY WE HAVE QUIET IN THE COURTROOM, PLEASE? THANK YOU.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: WE CONTINUE WITH THE TESTIMONY, IN THE REBUTTAL OF THE GOVERNMENT AT THIS MOMENT. AND YOUR NEXT WITNESS -- MR. COLE, IS IT? RIGHT. MR. COLE.

MR. COLE: YOUR HONOR, THE NEXT WITNESS IS A STIPULATION.

THE COURT: ALL RIGHT.

MR. COLE: IF I COULD HAVE THIS MARKED AS THE NEXT STIPULATION IN ORDER.

THE COURT: AND WHILE THAT IS BEING DONE, LADIES AND GENTLEMEN OF THE JURY, YOU ARE REMINDED THAT A STIPULATION, OF COURSE, IS AN AGREED-UPON STATEMENT BY AND BETWEEN COUNSEL AND THE DEFENDANT, AND YOU MAY CONSIDER IT AS UNDISPUTED EVIDENCE IN THE CASE.

MR. COLE.

MR. COLE: STIPULATION NO. 13: "IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES THAT THE ATTACHED RECORDS ENTITLED 'A.C.T. LOANS FROM G.V.H.' IS A RECORD COMPILED AND MAINTAINED BY MARTIN ADVERTISING AGENCY, REFERRED TO ON THIS DOCUMENT AS 'M.A.A.', AND REFLECTS THE ACCOUNTING OF LOANS MADE BY GEORGE V. HANSEN REFERRED TO ON THE DOCUMENT AS CREDITS, AND REPAYMENTS MADE TO GEORGE V. HANSEN REFERRED TO ON THIS DOCUMENT AS DEBITS, AND IS ADMISSIBLE." AND ATTACHED THERETO IS A DOCUMENT OF TWO PAGES REFLECTING THOSE PAYMENTS TO AND REPAYMENTS BY.

THE COURT: ALL RIGHT.

MR. COLE: THANK YOU, YOUR HONOR.

THE COURT: MR. WEINGARTEN?

MR. WEINGARTEN: MR. NIELSON, PLEASE.

THE COURT: ALL RIGHT.

RICHARD NIELSON

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING.

THE WITNESS: GOOD MORNING.

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q YOUR NAME, SIR?

A RICHARD NIELSON.

Q AND PLEASE SPELL YOUR LAST NAME.

A N-I-E-L-S-O-N.

Q MR. NIELSON, PLEASE SPEAK INTO THE MICROPHONE SO EVERYBODY CAN HEAR YOU.

WHERE DO YOU LIVE, SIR?

A IDAHO FALLS, IDAHO.

Q AND FOR THOSE OF US WHO ARE NOT FAMILIAR WITH THE GEOGRAPHY OF IDAHO, WHERE IS THAT IN RELATION TO THE MAJOR CITIES?

A IT IS IN THE EASTERN PART OF THE STATE, 100 MILES SOUTH OF YELLOWSTONE PARK.

Q AND WHERE IS IT IN RELATION TO POCATELLO?

A FIFTY MILES NORTH.

Q HOW ARE YOU EMPLOYED, SIR?

A I AM EMPLOYED AT THE BANK OF COMMERCE IN IDAHO FALLS.

Q AND IN WHAT CAPACITY?

A VICE PRESIDENT AND CASHIER.

Q OF THE BANK OF COMMERCE?

A BANK OF COMMERCE, YES, SIR.

Q AND HOW MANY BRANCHES DOES THE BANK OF COMMERCE HAVE?

A FIVE BRANCHES.

Q AND WHERE WOULD THEY ALL BE LOCATED?

A IN THE IDAHO FALLS AREA.

Q DO YOU KNOW THE DEFENDANT, MR. HANSEN?

A YES.

Q IN WHAT CAPACITY, SIR?

A I JUST MET HIM AND KNOW HIM, AND HE IS AN ACQUAINTANCE.

Q DO YOU KNOW HIM OUTSIDE OF A BANKING, BUSINESS RELATIONSHIP?

A THROUGH SOME POLITICAL CONTACTS.

Q IS HE A PERSONAL FRIEND?

A NO.

Q ALL RIGHT. DID THERE COME A TIME WHEN MR. HANSEN DID SOME BANKING AT YOUR BANK?

A YES.

Q AND WHEN WOULD THAT HAVE BEEN?

A FROM MARCH 2ND OF '82 TO --

Q ALL RIGHT, LET'S JUST START WITH THE BEGINNING. WHAT WAS THE DATE?

A MARCH 2ND OF '82.

Q NOW, MR. NIELSON, HOW LONG HAVE YOU BEEN AT THE BANK OF COMMERCE?

A TWENTY YEARS.

Q AND IS IT FAIR TO SAY THAT PRIOR TO MARCH THE 2ND, 1982, MR. HANSEN DID NO BUSINESS AT YOUR BANK?

A CORRECT.

Q AND WHAT HAPPENED ON MARCH THE 2ND, 1982?

A MR. HANSEN OPENED A CHECKING ACCOUNT AND ALSO OBTAINED SOME-LOANS.

Q ALL RIGHT. MR. NIELSON, I SHOW YOU WHAT HAS BEEN MARKED AS GOVERNMENT EXHIBIT 80 AND ASK YOU IF YOU CAN IDENTIFY IT, SIR.

A YES. THAT'S A CHECKING ACCOUNT SIGNATURE CARD FOR THE OPENING OF A NEW ACCOUNT.

Q AND WHOSE NAMES ARE ON THOSE ACCOUNTS?

A THE NAME OF THE ACCOUNT IS "GEORGE HANSEN A.C.T. ACCOUNT", AND THERE'S SIGNATURES OF GEORGE HANSEN AND JIM OSTLER.

Q AND WHEN WAS THAT ACCOUNT OPENED?

A MARCH 1ST OF '82.

Q ALL RIGHT. DO YOU RECALL IF MR. HANSEN PERSONALLY DID THAT?

A I DON'T RECALL.

Q IS THERE A SIGNATURE ON THERE?

A YES.

Q AND WHOSE SIGNATURE IS THAT?

A IT'S THE INITIALS OF OUR NEW-ACCOUNTS GIRL. THAT'S THE SIGNATURES OF MR. HANSEN AND MR. OSTLER ON THE CARD.

Q AND "A.C.T." IS ON THAT SIGNATURE CARD?

A YES.

Q AND DO YOU KNOW WHAT THAT IS, SIR?

A ASSOCIATION OF CONCERNED TAXPAYERS.

Q ALL RIGHT.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT'S EXHIBIT 80.

MR. LEWIN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 80 WAS
RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q DID YOU ALSO TESTIFY, SIR, THAT MR. HANSEN MADE SOME LOANS AT THE BANK IN MARCH OF 1982?

A YES, SIR.

Q MR. NIELSON, I HAND YOU FIRST WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 81-A AND ASK YOU, SIR, IF YOU CAN IDENTIFY IT.

A YES. IT IS A LOAN FOR $40,000 DATED MARCH 2ND.

Q MARCH 2ND OF WHAT YEAR, PLEASE?

A 1982.

Q AND WHO IS THE LOAN MADE OUT TO?

A GEORGE HANSEN.

Q AND WHO WAS THE LOAN MADE BY?

A GEORGE HANSEN.

Q ALL RIGHT. AND DOES IT HAVE ANY CONNECTION WITH YOUR BANK?

A YES. IT WAS ISSUED BY OUR BANK.

Q ALL RIGHT. AND JUST SO WE ARE CLEAR, WHAT DATE WOULD THAT BE, AGAIN, SIR?

A MARCH 2ND OF '82.

Q AND AGAIN, THE AMOUNT?

A $40,000.

Q AND IS THERE A DOCUMENT BELOW THE NOTE THAT IS INCLUDED ON THAT XEROX COPY?

A YES. THAT'S A COPY OF THE CASHIER'S CHECK ISSUING THE PROCEEDINGS OF THE LOAN.

Q AND WHO ISSUED THE CASHIER'S CHECK?

A THE BANK OF COMMERCE.

Q AND WHO DID IT ISSUE THE CASHIER'S CHECK TO?

A GEORGE HANSEN.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT EXHIBIT 81-A.

MR. LEWIN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 81-A WAS RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q MR. NIELSON, 81-B. IDENTIFY THAT, IF YOU WOULD, SIR.

A A LOAN TO GEORGE HANSEN BY THE BANK OF COMMERCE IN THE AMOUNT OF $20,000, DATED MARCH 8TH, '82.

Q AND AGAIN, THE LOAN IS MADE BY YOUR BANK?

A YES, SIR.

Q TO CONGRESSMAN HANSEN?

A YES, SIR.

Q AND IT'S DATED?

A MARCH 8TH, '82.

Q AND THE AMOUNT AGAIN?

A TWENTY THOUSAND -- OR TEN THOUSAND DOLLARS. EXCUSE ME.

Q HOW MUCH IS IT?

A TWENTY THOUSAND.

Q AND IS THERE A CASHIER'S CHECK BENEATH THE PROMISSORY NOTE THAT REFLECTS THE PROCEEDS?

A YES, SIR.

Q AND THE CASHIER'S CHECK IS MADE OUT TO WHOM?

A GEORGE HANSEN.

MR. WEINGARTEN: I MOVE 81-B INTO EVIDENCE.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 81-B WAS RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q 81-C, SIR. IDENTIFY IT, PLEASE.

A A LOAN TO GEORGE HANSEN ISSUED BY THE BANK OF COMMERCE IN THE AMOUNT OF $20,000, DATED MARCH 11TH, '82.

Q AND JUST AGAIN, IT'S A NOTE FROM YOUR BANK TO CONGRESSMAN HANSEN?

A CORRECT.

Q AND IS A CASHIER'S CHECK REFLECTED?

A THE PROCEEDS OF THE LOAN, YES, SIR, TO GEORGE HANSEN.

Q IS THERE ALSO ANOTHER CHECK REFLECTED ON THAT DOCUMENT?

A YES. THE CASHIER'S CHECK WAS FOR 21,000, 20,000 PROCEEDS OF THE LOAN AND 1,000 FROM THE A.C.T. ACCOUNT THAT HE HAD AT OUR BANK.

Q ALL RIGHT. AND WHAT IS THE DATE OF THE A.C.T. CHECK?

A MARCH 11TH.

Q AND WOULD THAT BE THE SAME DATE AS THE LOAN?

A YES.

MR. WEINGARTEN: MOVE INTO EVIDENCE 81-C.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 81-C WAS
RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q FINALLY, SIR, 81-D. WOULD YOU IDENTIFY THAT?

A YES. IT IS A LOAN AGAIN TO GEORGE HANSEN, IN THE AMOUNT OF $10,000, ISSUED BY OUR BANK ON MARCH 17TH OF '82.

Q AND MADE OUT BY YOUR BANK TO CONGRESSMAN HANSEN.

A CORRECT.

Q AND SIMILARLY, IS THERE A CASHIER'S CHECK BELOW THAT REFLECTS THE PROCEEDS OF THE LOAN?

A YES, SIR.

Q AND WHO IS THE CHECK MADE OUT TO?

A TO GEORGE HANSEN, IN THE AMOUNT OF $10,000.

Q IS IT FAIR TO SAY, MR. NIELSON, THAT BETWEEN MARCH 2ND, 1982, AND MARCH 17TH, 1982, YOUR BANK MADE FOUR LOANS TO CONGRESSMAN HANSEN?

A CORRECT.

Q AND WITHOUT TAXING YOU THIS EARLY IN THE MORNING, CAN YOU ADD UP THE TOTAL AMOUNT OF THE LOANS?

A 90,000.

Q NOW, IS THERE AN INDICATION ON THOSE DOCUMENTS AS TO WHERE THOSE CASHIER CHECKS WENT?

A NOT ON THESE DOCUMENTS, NO, SIR.

Q BUT DID YOU PROVIDE THE GOVERNMENT WITH CERTAIN DOCUMENTS WHERE THERE IS SUCH A REFLECTION, PURSUANT TO SUBPOENA?

A YES. COPIES OF THE ORIGINAL CASHIER'S CHECKS.

THE COURT: COULD I SEE THOSE MATTERS THAT ARE IN EVIDENCE, MR. WEINGARTEN? OR MR. WOOD. THANK YOU.

BY MR. WEINGARTEN:

Q MR. NIELSON, I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBITS 82 AND 83 AND ASK YOU, SIR, WHAT THEY ARE.

A COPIES OF THE ORIGINAL CASHIER'S CHECKS FOR THE PROCEEDS OF LOANS.

Q AND IS THERE AN INDICATION ON THOSE CHECKS WHERE THE MONEY WAS DEPOSITED?

A YES. THE MONEY WAS ALL DEPOSITED IN FIRST INTERSTATE BANK.

Q FIRST INTERSTATE BANK OF WHAT? OF IDAHO?

A OF IDAHO.

Q AND THAT IS A SISTER BANK IN YOUR STATE -- OR ANOTHE BANK IN THIS AREA.

A THAT'S ANOTHER BANK, YES.

Q NOW, IS THERE A FIFTH CASHIER'S CHECK IN THAT GROUP THAT IS NOT THE PROCEEDS OF THE FOUR LOANS THAT YOU MENTIONED?

A YES.

Q AND WHAT CHECK IS THAT, SIR?

A IT IS A CASHIER'S CHECK IN THE AMOUNT OF $4,900 ISSUED TO GEORGE HANSEN. IT IS REMITTANCE OUT OF A CHECK FROM HIS A.C.T. ACCOUNT WITH US.

Q SO IS IT FAIR TO SAY THAT THAT CHECK REFLECTS A CASHIER'S CHECK THAT YOUR BANK CUT PURSUANT TO A CHECK FROM CONGRESSMAN HANSEN'S A.C.T. ACCOUNT?

A CORRECT.

Q AND WHERE WAS THAT CASHIER'S CHECK DEPOSITED?

A IT WAS ALSO DEPOSITED IN FIRST INTERSTATE BANK.

Q SO THE SUM TOTAL OF THOSE FIVE CASHIER'S CHECKS WAS APPROXIMATELY WHAT?

A 94,900.

Q I'M SORRY?

A 95,900.

Q O.K.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT EXHIBITS 82 AND 83.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBITS 82 AND 83 WERE RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q DID THE BANK PRODUCE A LOAN REPORT PURSUANT TO THE ISSUANCE OF THESE LOANS?

A YES, SIR.

Q MR. NIELSON, I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 84 AND ASK YOU IF YOU CAN IDENTIFY IT.

A YES. THEY ARE LOAN REPORTS CONCERNING THE LOANS THAT HAVE BEEN MENTIONED.

Q IS THERE ANY INDICATION OF WHAT THE PURPOSE OF THOSE LOANS ARE TO BE?

A OPERATING EXPENSES.

Q MR. NIELSON, HAVE YOU COME TO LEARN WHAT THOSE OPERATING EXPENSES WERE TO BE FOR?

A IT'S MY UNDERSTANDING IT WAS FOR THE MASS MAILING OF A LETTER FOR PURPOSES UNKNOWN.

Q THANK YOU, SIR.

MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT EXHIBIT 84.

MR. LEWIN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 84 WAS RECEIVED IN EVIDENCE)

MR. WEINGARTEN: AND NO FURTHER QUESTIONS.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q GOOD MORNING, MR. NIELSON.

A GOOD MORNING.

Q WE HAVEN'T MET BEFORE TODAY, BEFORE THIS MORNING. IS THAT RIGHT?

A THAT'S CORRECT.

Q YOU TESTIFIED IN ANSWER TO MR. -- LET ME JUST ADD TO THAT. WE HAVEN'T MET BEFORE THIS MORNING, NOR HAVE YOU MET OR TALKED TO COUNSEL FOR -- OTHER COUNSEL WHO ARE AT THE TABLE HERE WITH ME, MR. CAMPBELL OR MR. BRAGA.

A NO, SIR.

Q O.K. YOU TESTIFIED IN ANSWER TO MR. WEINGARTEN'S QUESTIONS ABOUT TWO SPECIFIC TRANSACTIONS THAT OCCURRED AT ABOUT THE BEGINNING OF MARCH, 1982, WITH REGARD TO CONGRESSMAN HANSEN AND YOUR BANK. IS THAT CORRECT?

A YES, SIR.

Q SPECIFICALLY, ONE WAS THE OPENING OF AN ACCOUNT, A CHECKING ACCOUNT, IN THE NAME OF A.C.T. AT THAT TIME, AND YOU IDENTIFIED THAT SIGNATURE CARD. IS THAT CORRECT?

A CORRECT.

Q AND THEN YOU TESTIFIED ALSO ABOUT THE FACT THAT AT THAT SAME TIME, OR ABOUT THAT SAME TIME, CONGRESSMAN HANSEN APPLIED FOR AND RECEIVED LOANS WHICH TOTALED ABOUT $90,000. IS THAT CORRECT?

A CORRECT.

Q IT'S A FACT, IS IT NOT, THAT THOSE WERE TWO SEPARATE TRANSACTIONS AT YOUR BANK?

A CORRECT.

Q THE MONEY, THE $90,000 LOANS THAT HE RECEIVED WERE NOT DEPOSITED IN THE A.C.T. ACCOUNT, WERE THEY?

A CORRECT.

Q THE $90,000 LOAN WAS A LOAN WHICH YOU MADE TO CONGRESSMAN HANSEN ON THE BASIS OF HIS APPLICATION WITH OTHERS WHO APPEARED AS GUARANTORS IN SOME WAY; IS THAT CORRECT?

A YES. THEY WERE ALL OUTSIDE GUARANTEES.

Q ALL RIGHT. AND WITH REGARD TO THAT $90,000 LOAN, THE PROCEEDS, AS YOU HAVE IDENTIFIED IT TO MR. WEINGARTEN, WENT INTO ANOTHER BANK IN IDAHO CALLED THE FIRST INTERSTATE BANK.

A CORRECT.

Q NOW, YOU, YOURSELF, WERE NOT INVOLVED, REALLY, AT THE BEGINNING OF MARCH IN THE DISCUSSIONS WITH CONGRESSMAN HANSEN CONCERNING THESE LOANS, WERE YOU?

A NO, SIR.

Q AND IT WAS IN FACT THE PRESIDENT OF THE BANK WHO WAS INVOLVED, TO THE BEST OF YOUR KNOWLEDGE?

A CORRECT.

Q AND WHAT'S HIS NAME?

A RICHARD ADAMS.

Q SO YOU REALLY DON'T KNOW OF YOUR OWN FIRSTHAND KNOWLEDGE WHAT IT WAS THAT CONGRESSMAN HANSEN SAID TO MR. ADAMS WITH REGARD TO THAT LOAN.

A CORRECT.

Q O.K. AND IT IS ONLY LATER ON THAT YOU WERE TOLD THAT IT HAD SOMETHING TO DO WITH A MASS MAILING.

A CORRECT.

Q O.K. NOW, YOU SAY THE PROCEEDS WENT INTO THE FIRST INTERSTATE BANK. WHERE IS THE FIRST INTERSTATE BANK LOCATED?

A THEY ARE LOCATED THROUGHOUT IDAHO, AND THE ENDORSEMENT ON THE CHECK DOESN'T INDICATE WHERE. I WOULD ASSUME POCATELLO WAS WHERE HE DID HIS BANKING, BUT THEY HAD A CENTRAL

PROCESSING FOR ALL OF EASTERN IDAHO IN IDAHO FALLS, SO IT WOULD NOT INDICATE.

Q BUT THEY HAVE A BRANCH IN POCATELLO, IS THAT RIGHT?

A CORRECT.

Q AND YOU, BEING A BANKER IN IDAHO, YOU ARE FAMILIAR WITH THE APPEARANCE OF CHECKS THAT BEAR THE FIRST INTERSTATE BANK -- CHECKS THAT ARE DRAWN ON THE FIRST INTERSTATE BANK; YOU KNOW WHAT THEY LOOK LIKE.

A YES, SIR.

Q AND YOU ARE ALSO FAMILIAR WITH CONGRESSMAN HANSEN'S SIGNATURE, ARE YOU NOT?

A YES, SIR.

Q LET ME PLACE BEFORE YOU --

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 89 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT NO. 89 WAS
MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q -- MR. NIELSON, A DOCUMENT THAT I HAVE MARKED DEFENDANT'S EXHIBIT 89 FOR IDENTIFICATION AND ASK YOU WHETHER THAT IS A CHECK, TO YOUR KNOWLEDGE, OF THE FIRST INTERSTATE BANK OF IDAHO.

A CORRECT.

Q AND DO YOU RECOGNIZE CONGRESSMAN HANSEN'S SIGNATURE ON THAT?

A YES, THAT IS HIS SIGNATURE.

MR. LEWIN: WE OFFER DEFENDANT'S EXHIBIT 81 IN EVIDENCE.

MR. WEINGARTEN: MAY WE APPROACH THE BENCH?

(AT THE BENCH)

MR. WEINGARTEN: YOUR HONOR, I SHOW THE COURT WHAT HAS JUST BEEN OFFERED INTO EVIDENCE. THIS IS AN EXHIBIT THAT DEFENSE COUNSEL, AT LEAST, AT ONE POINT ANTICIPATED INTRODUCING. IT IS A CHECK MADE OUT TO PIEDMONT AIRLINES ON THE DATE OF NOVEMBER 21, 1981. IT IS OBVIOUSLY RELEVANT TO CERTAIN MATTERS IN THIS CASE. THIS IS A TOTALLY INAPPROPRIATE WITNESS TO INTRODUCE THIS EVIDENCE THROUGH.

IF THE ONLY POINT IS TO IDENTIFY THE CHECK OF THE FIRST INTERSTATE BANK, THEN WE CAN ELIMINATE THE NOTATION OF PIEDMONT AIRLINES COMPLETELY AND LIMIT THE EVIDENCE TO FIRST INTERSTATE AND THE SIGNATURE. BUT TO INTRODUCE THIS INFORMATION THROUGH THIS WITNESS IS TOTALLY IMPROPER.

MR. LEWIN: AS MR. WEINGARTEN HAS INDICATED, IT IS RELEVANT -- IT IS VERY RELEVANT TO THIS CASE. THIS WITNESS CAN IDENTIFY AND AUTHENTICATE IT BY IDENTIFYING THE SIGNATURE AND THE FACT THAT IT IS A CHECK. QUITE FRANKLY, AS HE REALIZES, WE HAD GIVEN HIM A COPY OF THAT EXHIBIT IN ADVANCE. WE HAD INTENDED TO INTRODUCE IT, AND WE HAD NOT HAD A WITNESS WHO WOULD BE ABLE TO AUTHENTICATE IT. HE CAN AUTHENTICATE IT.

MR. WEINGARTEN: HE CAN AUTHENTICATE THE SIGNATURE

AND HE CAN AUTHENTICATE FIRST INTERSTATE.

MR. LEWIN: HE CAN AUTHENTICATE THE CHECK. THE DOCUMENT IS A CHECK SIGNED BY CONGRESSMAN HANSEN WRITTEN IN CONGRESSMAN HANSEN'S HANDWRITING. THE ONLY OBJECTION THAT I HAVE HEARD AND THE ONLY OBJECTION THAT POSSIBLY COULD BE MADE IS THAT IT IS NOT AUTHENTICATED. HE HAS NOW AUTHENTICATED IT.

THE COURT: WHAT ABOUT THE DATE, NOVEMBER '81, WHEN WE ARE TALKING ABOUT PROCEEDINGS IN 1982?

MR. LEWIN: IT HAS NOTHING DIRECTLY TO DO WITH THE MARCH '82 THING, BUT IT HAS TO DO WITH CONGRESSMAN HANSEN'S TRIP TO SEE MR. MEADE IN VIRGINIA. AND THAT'S WHY IT IS RELEVANT TO THE CASE, AS MR. WEINGARTEN KNOWS. AND ALL THAT WE NEED IN TERMS OF ADMITTING IT IS THE AUTHENTICATION. HE HAS NOW AUTHENTICATED IT, BECAUSE OF HIS FAMILIARITY BOTH WITH THE FORM OF THE CHECK AND WITH THE SIGNATURE. SO IT IS IN EVIDENCE, AND WE CAN USE IT.

I MEAN IF THEY PUT ON A WITNESS WHO THEY CAN USE TO AUTHENTICATE A DOCUMENT WITH, WE CAN AUTHENTICATE THE DOCUMENT AND THEN PUT IT IN EVIDENCE AND USE IT FOR WHATEVER PURPOSE.

MR. WEINGARTEN: THIS IS A HEARSAY DOCUMENT WITH INFORMATION BELOW AND INFORMATION AT THE TOP. THIS MAN CAN SAY HE RECOGNIZES THE CHECK OF FIRST INTERSTATE AND HE RECOGNIZES HIS SIGNATURE. IT IS TOTALLY INAPPROPRIATE TO ELICIT

HEARSAY INFORMATION FROM THIS WITNESS WITH REGARD TO OTHER MATTERS.

MR. LEWIN: COMMERCIAL DOCUMENTS, YOUR HONOR --

MR. WEINGARTEN: HE'S NOT FROM FIRST INTERSTATE.

MR. LEWIN: HE MAY NOT BE FROM FIRST INTERSTATE BANK, BUT HE HAS PROVIDED SUFFICIENT FOUNDATION FOR AUTHENTICATION OF THAT DOCUMENT. THEREFORE, WE SUBMIT IT IS PROPERLY ADMISSIBLE IN EVIDENCE.

THERE IS NO POSSIBLE OBJECTION TO IT. IT IS CLEARLY RELEVANT. IF HE WERE ABLE -- IF WE HAD A LETTER OF CONGRESSMAN HANSEN'S THAT WE WANTED TO INTRODUCE AND HE COULD IDENTIFY THE SIGNATURE, HE COULD INTRODUCE IT AS SOMETHING WHICH WAS WRITTEN IN CONGRESSMAN HANSEN'S HANDWRITING. HERE, THEY HAVE PUT THE WITNESS ON. WE OFFER THE DOCUMENT. HE IS ABLE TO AUTHENTICATE IT. IT GOES IN EVIDENCE.

MR. WEINGARTEN: I DON'T THINK HE CAN AUTHENTICATE IT AT ALL. HE'S AUTHENTICATED FIRST INTERSTATE AND THE SIGNATURE.

MR. LEWIN: HE HAS AUTHENTICATED IT.

MR. WEINGARTEN: CAN I VOIR DIRE ON THAT?

THE COURT: YOU CAN VOIR DIRE HIM.

MR. WEINGARTEN: O.K.

(IN OPEN COURT)

THE COURT: THERE WILL BE VOIR DIRE ON THIS MATTER FOR A MOMENT. MR. WEINGARTEN.

VOIR DIRE EXAMINATION

BY MR. WEINGARTEN:

Q MR. NIELSON, THE DEFENSE EXHIBIT THAT WAS JUST PRESENTED BEFORE YOU, DO YOU HAVE IT, SIR? HAVE YOU EVER SEEN THAT DOCUMENT BEFORE, SIR?

A NO.

Q WHAT BANK IS INDICATED THERE?

A FIRST INTERSTATE BANK, POCATELLO OFFICE, SOUTH MAIN, POCATELLO, IDAHO.

Q ARE YOU A REPRESENTATIVE OF THAT BANK, SIR?

A NO, SIR.

Q HAVE YOU EVER BEEN A REPRESENTATIVE OF THAT BANK?

A NO.

Q DO YOU HAVE ANY IDEA WHETHER OR NOT THAT IS A LEGITIMATE CHECK FROM THAT BANK?

A FROM KNOWLEDGE OF BANKING, I WOULD SAY IT'S A LEGITIMATE CHECK.

Q DO YOU HAVE ANY PERSONAL KNOWLEDGE?

MR. LEWIN: LET THE WITNESS CONCLUDE HIS ANSWER.

THE COURT: HE WILL CONCLUDE HIS ANSWER.

THE WITNESS: FROM MY BANKING KNOWLEDGE, I WOULD SAY IT'S A LEGITIMATE CHECK. IT HAS BEEN PROCESSED AND PROPER ENDORSEMENTS ARE ON IT.

BY MR. WEINGARTEN:

Q WELL, HAVE YOU EVER SEEN THIS CHECK?

A NO.

Q DID YOU BRING THAT CHECK FROM YOUR BANK?

A NO, I DID NOT.

MR. WEINGARTEN: I OBJECT AS EVIDENCE. THIS IS NOT THE PROPER CUSTODIAN FOR THIS EVIDENCE.

CROSS EXAMINATION (RESUMED)

BY MR. LEWIN:

Q MR. NIELSON, WITH REGARD TO THE OTHER DOCUMENTS THAT YOU BROUGHT, BEFORE YOU WERE SUBPOENAED FOR THEM, HAD YOU SEEN THAT CASHIER'S CHECK FOR $40,000?

A I POSSIBLY HAD SEEN IT. I DON'T REMEMBER.

Q YOU DON'T REMEMBER WHETHER YOU HAD.

A NO.

Q DO YOU REMEMBER WHETHER YOU HAD SEEN THE NOTE?

A NO.

Q THESE ARE ALL JUST DOCUMENTS THAT YOU CAN RECOGNIZE AS BEING APPROPRIATE BANK DOCUMENTS THAT ARE IN CORRECT FORM, AND THEY APPEAR TO BE CORRECT. IS THAT RIGHT?

A CORRECT.

Q AND THE SAME CAN BE SAID WITH REGARD TO THAT CHECK THAT'S BEFORE YOU.

A CORRECT.

Q IT APPEARS TO BE A PROPER CHECK FROM THE FIRST INTERSTATE BANK OF IDAHO IN POCATELLO ON THEIR CHECK FORM, WHICH YOU RECOGNIZE, BEARING HANDWRITING WHICH YOU RECOGNIZE --

A CORRECT.

Q IS THAT CORRECT? AND BEARING ON THE BACK OF IT STAMPS WHICH YOU RECOGNIZE AS BEING AUTHENTIC BANK STAMPS INDICATING IT WAS ENDORSED -- OR IT WAS DEPOSITED AND WENT THROUGH THE BANKING PROCESS; IS THAT CORRECT?

A CORRECT.

MR. LEWIN: WE OFFER THAT DOCUMENT IN EVIDENCE, YOUR HONOR.

MR. WEINGARTEN: WE OBJECT, YOUR HONOR. THIS WITNESS DOES NOT --

THE COURT: TO THE BENCH, UNLESS YOU HAVE MORE VOIR DIRE.

(AT THE BENCH)

MR. WEINGARTEN: BY THIS THEORY, ANY BANKER IN AMERICA COULD BE BROUGHT TO A COURTHOUSE TO AUTHENTICATE ANY CHECK IN AMERICA. I THINK THAT IS JUST NOT THE LAW.

MR. LEWIN: THAT'S SIMPLY NOT TRUE. THIS MAN KNOWS CONGRESSMAN HANSEN'S HANDWRITING; HE HAS IDENTIFIED IT. HE KNOWS FROM THE DOCUMENT -- HE KNOWS THAT THIS CHECK -- HE SAID HE IS FAMILIAR WITH THE CHECK FORMS OF FIRST INTERSTATE BANK, HE KNOWS THE FORM, HE KNOWS THE HANDWRITING, HE KNOWS THE STAMPS ON THE BACK. HE HAS AUTHENTICATED THAT DOCUMENT, YOUR HONOR.

MR. WEINGARTEN: HE CANNOT SAY THAT THIS -- HE CANNOT AUTHENTICATE THIS CHECK. HE CANNOT SAY THAT THIS CAME FROM

HIS BANK RECORDS. HE HAS NO IDEA WHERE THIS CHECK CAME FROM EXCEPT FROM MR. LEWIN.

THE COURT: ALL RIGHT. IT IS TRUE THAT IT DIDN'T COME FROM HIS BANK RECORDS. IT IS TRUE THAT IT IS A CHECK DRAWN ON A BANK OTHER THAN HIS BANK. WHAT YOU CAN GET, GENTLEMEN, IS A -- YOU CAN'T GET THE CHECK IN, MR. LEWIN, BUT WHAT YOU CAN GET IN IS WHAT YOU HAVE ALREADY IN THE RECORD AND, IF NECESSARY, A STIPULATION TO SUPPORT THAT: THAT THERE IS A CHECK DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO IN POCATELLO, IDAHO, THE DATE WAS WHATEVER THE DATE WAS, AND THAT HE RECOGNIZES THE SIGNATURE OF MR. HANSEN.

OR, ALTERNATIVELY, YOU CAN PUT A TAPE OVER THE PAYEE ON THAT CHECK. HE CAN'T AUTHENTICATE THE CHECK, AS SUCH. IT ISN'T HIS BANK RECORD. YOU CAN BRING IN SOMEONE FROM THE FIRST INTERSTATE BANK OF POCATELLO, IF YOU WISH TO DO THAT. BUT IT SEEMS TO ME THAT YOU CAN ACCOMPLISH THE SAME BY SOME KIND OF STIPULATION BETWEEN COUNSEL WITHOUT THE LEGEND AS TO THE PAYEE.

MR. LEWIN: YOUR HONOR, I'M SORRY. THE POINT -- AND MAYBE THAT HAS NOT BEEN MADE CLEAR. IT IS A VERY CRITICAL POINT. CAN I PLEASE HAVE THE COPY, MR. WEINGARTEN?

THE REASON FOR IT IS, AS MR. WEINGARTEN WELL KNOWS, THAT ON THE TRIP DOWN TO SEE MR. MEADE AND ON THAT CHECK, CONGRESSMAN HANSEN WROTE "A.C.T.", SPECIFICALLY AT THE TIME THAT IT WAS; HE WAS MAKING THE TRIP FOR THE ASSOCIATION OF

CONCERNED TAXPAYERS. AND IT IS IMPORTANT THAT THAT CHECK GO IN. IT HAS BEEN IDENTIFIED AS A DOCUMENT, AND YOUR HONOR --

THE COURT: SIR, THE CASE IS NOT OVER YET; YOU ARE WELCOME TO BRING IN SOMEONE FROM POCATELLO TO TESTIFY WITH REFERENCE TO THE RECORDS, AN APPROPRIATE OFFICIAL TO TESTIFY TO THE RECORDS OF THE FIRST INTERSTATE BANK. THE CASE IS NOT OVER YET.

MR. LEWIN: YOUR HONOR, THIS IS THE LAST DAY OF TRIAL. I AM NOT GOING TO BRING IN --

THE COURT: WELL, WE HOPE IT IS.

MR. LEWIN: I'M SORRY. I AM NOT GOING TO GO TO THE EXPENSE OR THE BURDEN OF BRINGING IN A WITNESS WHEN I HAVE ADEQUATE FOUNDATION EVIDENCE FROM THIS WITNESS. AND I THINK, YOUR HONOR, WITH ALL RESPECT, I THINK IF THAT'S YOUR HONOR'S RULING WITH REGARD TO THE FOUNDATION, I HAVE ESTABLISHED THE FOUNDATION FOR THAT DOCUMENT, AND I SUBMIT THAT YOUR HONOR IS MAKING AN ERRONEOUS RULING IN EXCLUDING THAT VERY CRITICAL PIECE OF EVIDENCE.

THIS WITNESS HAS TESTIFIED WITH REGARD TO ITS REGULARITY. HE HAS ADEQUATELY ESTABLISHED THE FOUNDATION. WE ARE ENTITLED TO HAVE IT IN EVIDENCE TO PRESENT IT TO THE JURY.

THE COURT: OBVIOUSLY, WHEN WE MAKE A RULING, WE HOPE IT IS NOT ERRONEOUS, MR. LEWIN.

BUT, CERTAINLY, YOU HAVE A RIGHT -- AND I AM NOT

PRECLUDING YOU FROM IT, AND I WANT THE RECORD TO BE ABUNDANTLY CLEAR THAT SHOULD YOU CHOOSE TO BRING SOMEONE IN FROM THE FIRST INTERSTATE BANK WHO IS A CUSTODIAN OF THE RECORDS OR, ALTERNATIVELY, IF YOU CAN REACH A STIPULATION WITH REFERENCE TO THAT, FINE; THAT IS CERTAINLY APPROPRIATE, AND WE WILL GIVE YOU THAT OPPORTUNITY.

THIS CHECK WILL NOT COME IN IN THIS FASHION THROUGH THIS WITNESS, OVER YOUR CLEAR OBJECTION.

(IN OPEN COURT)

BY MR. LEWIN:

Q MR. NIELSON, WITH REGARD TO THE FUNDS THAT WENT TO THE FIRST INTERSTATE BANK, YOU SAID THEY DID NOT GO THROUGH ANY A.C.T. ACCOUNT IN YOUR BANK.

A THAT'S CORRECT.

Q THEY WERE IN FACT, WERE THEY NOT, DEPOSITED IN THE FIRST INTERSTATE BANK, AS APPEARS FROM THE REVERSE OF THOSE CASHIER'S CHECKS, ON THE SAME DAY THAT THE CASHIER'S CHECKS WERE DRAWN? I THINK COUNSEL WOULD STIPULATE TO THAT.

THE COURT: DOES THAT MEAN YES, THERE IS A STIPULATION? I CAN'T TELL.

MR. WEINGARTEN: IF THAT'S WHAT IT SAYS AND MR. LEWIN REPRESENTS THAT THAT IS WHAT IT SAYS --

MR. LEWIN: OH, MR. WEINGARTEN, I THINK WE HAD A LITTLE DISCUSSION BEFORE IN WHICH YOU INDICATED THAT --

THE COURT: DO WE HAVE A STIPULATION OR NOT, GENTLEMEN? AND IF NOT, THEN WE WILL HAVE MORE EXAMINATION.

MR. WEINGARTEN: LET ME TALK TO COUNSEL.

THE COURT: GENTLEMEN, I CAN HEAR YOU UP HERE.

IS THERE A QUESTION PENDING TO THE WITNESS, OR IS THERE A STIPULATION?

MR. LEWIN: DO YOU WANT TO LOOK BEFORE YOU STIPULATE TO THAT?

MR. WEINGARTEN: IF YOU REPRESENT THAT IS THE CASE, SIR, I ACCEPT IT.

MR. LEWIN: ALL RIGHT.

THE COURT: ALL RIGHT.

MR. LEWIN: THEY WERE DEPOSITED IN THE FIRST INTERSTATE BANK -- WELL, YOU STIPULATE THEY WERE DEPOSITED IN THE FIRST INTERSTATE BANK ON THE SAME DAY.

MR. WEINGARTEN: IF YOU SO REPRESENT.

MR. LEWIN: YES. I HAVE SO REPRESENTED.

BY MR. LEWIN:

Q THOSE LOANS IN THE AMOUNT OF $90,000, MR. NIELSON, WERE PAID BACK, WERE THEY NOT?

A CORRECT.

Q AND THEY WERE PAID BACK BY CONGRESSMAN HANSEN HIMSELF.

A YES, SIR.

Q THERE WAS NO NEED AT ANY TIME TO CALL ON ANY OUTSIDE GUARANTEE FOR THEM.

A NO.

Q AND THAT'S BEEN TRUE OF ALL LOANS THAT CONGRESSMAN HANSEN HAS MADE FROM YOUR BANK.

A YES.

Q THEY'VE BEEN PAID BACK, AND THEY'VE BEEN PAID BACK BY HIM, PERSONALLY, WITHOUT ANY NEED TO CALL ANY OUTSIDE GUARANTORS; IS THAT CORRECT?

A YES, SIR.

Q MR. NIELSON, YOU SAY YOU HAVE BEEN A BANKER FOR HOW MANY YEARS?

A TWENTY YEARS.

Q AND DURING THAT PERIOD OF TIME -- ALL THAT TIME IN IDAHO, IS THAT CORRECT?

A YES.

Q AND DURING THAT PERIOD OF TIME, YOU HAVE KNOWN AND HEARD OF CONGRESSMAN HANSEN?

A CORRECT.

Q AND YOU HAVE SPOKEN TO PEOPLE WHO HAVE EXPRESSED TO YOU OPINIONS REGARDING CONGRESSMAN HANSEN?

A YES, SIR.

Q AND HAVE YOU HAD OCCASION TO DISCUSS WITH OTHER PEOPLE CONGRESSMAN HANSEN'S REPUTATION FOR TRUTH AND VERACITY?

A YES. TO A DEGREE.

Q AND HIS REPUTATION FOR HONESTY, WHETHER HE TELLS THE TRUTH?

A CORRECT.

Q HAVE YOU HAD THE ABILITY TO FORM AN OPINION OF YOUR OWN ON THE BASIS OF THAT, AS TO WHETHER CONGRESSMAN HANSEN HAS A REPUTATION FOR TELLING THE TRUTH?

A YES.

Q AND WHAT IS THAT OPINION?

A I CONSIDER HIM AN HONORABLE MAN AND TRUTHFUL.

Q AND YOU WOULD BELIEVE WHAT HE SAYS.

A CORRECT.

Q AND HE HAS NOT LIED TO YOU EVER.

A NO, SIR.

MR. LEWIN: THANK YOU.

THE COURT: REDIRECT?

REDIRECT EXAMINATION

BY MR. WEINGARTEN:

Q MR. NIELSON, IF GEORGE HANSEN TOLD YOUR BANK THAT THAT $95,000 REPRESENTED IN THOSE CASHIER'S CHECKS WENT TO HIS A.C.T. OR HIS FUND-RAISING ORGANIZATION, YOU WOULD BELIEVE THAT, WOULDN'T YOU?

A CORRECT.

MR. WEINGARTEN: THANK YOU, SIR.

THE COURT: ANYTHING FURTHER?

RECROSS EXAMINATION

BY MR. LEWIN:

Q AND IF HE SAID IT WAS TO BE USED FOR A MASS MAILING

FOR WHICH FUNDS WERE NEEDED AT THAT TIME, YOU WOULD BELIEVE HIM.

A YES, SIR.

MR. LEWIN: THANK YOU.

THE COURT: ALL RIGHT. THANK YOU FOR YOUR TESTIMONY, MR. NIELSON. YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS IT WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED. AND IF YOU WOULD, SIR, THOSE ARE MATTERS THAT HAVE BEEN PRESENTED TO YOU -- I SEE YOU ARE NOW GIVING THEM TO THE MARSHAL. VERY GOOD.

MR. WEINGARTEN: MR. ROWE.

THE COURT: HOW DO YOU SPELL THAT SURNAME?

MR. WEINGARTEN: R-O-W-E.

THE COURT: THANK YOU.

MR. WEINGARTEN: I INADVERTENTLY FAILED TO MOVE IN 81-D, WHICH IS ONE OF THE NOTES AND ONE OF THE CHECKS.

THE COURT: ANY OBJECTION TO 81-D, MR. LEWIN, THAT WAS NOT MOVED IN AT THE TIME?

MR. LEWIN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 81-D WAS RECEIVED IN EVIDENCE)

THE COURT: MR. ROWE, IF YOU WILL COME AROUND HERE, PLEASE, THE OATH WILL BE ADMINISTERED.

ROBERT G. ROWE, III

WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

THE COURT: GOOD MORNING, MR. ROWE.

THE WITNESS: GOOD MORNING.

DIRECT EXAMINATION

BY MR. WEINGARTEN:

Q YOUR NAME, SIR?

A ROBERT G. ROWE, III.

Q SPELL YOUR LAST NAME, PLEASE.

A R-O-W-E.

Q HOW ARE YOU EMPLOYED?

A BY THE RIGGS NATIONAL BANK OF WASHINGTON.

Q AND DO YOU LIVE AROUND HERE?

A I LIVE IN ARLINGTON, VIRGINIA.

Q ALL RIGHT. AND WHAT DO YOU DO FOR THE BANK?

A I WORK IN A SEMI-LEGAL CAPACITY AND AS CUSTODIAN OF RECORDS.

Q AND ARE YOU HERE TODAY AS A CUSTODIAN FOR THE RIGGS BANK?

A YES, I AM.

Q I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 85, SIR, AND ASK IF YOU CAN IDENTIFY THAT.

A THIS IS A STATEMENT ON A CHECKING ACCOUNT AT THE RIGGS NATIONAL BANK.

Q AND WHOSE STATEMENT IS IT, SIR?

A THE ACCOUNT IS IN THE NAME OF GEORGE HANSEN, REACH ACCOUNT.

Q AND WHAT IS THE MONTH ON THAT ACCOUNT?

A MARCH, 1982.

Q AND WHAT PERIOD OF TIME DOES IT APPEAR TO COVER?

A IT COVERS THE PERIOD FROM THE 26TH OF FEBRUARY, 1982, THROUGH THE 31ST OF MARCH, 1982.

Q AND FROM WHAT BANK IS IT?

A THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

Q YOUR BANK.

A MM-HM.

MR. WEINGARTEN: ALL RIGHT. WE MOVE THAT EXHIBIT INTO EVIDENCE, YOUR HONOR.

MR. LEWIN: NO OBJECTION.

THE COURT: IT'S IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 85 WAS RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q NOW, DOES IT APPEAR FROM GOVERNMENT EXHIBIT 85 THAT CERTAIN DEPOSITS WERE MADE INTO THE RIGGS ACCOUNT DURING MARCH OF 1982?

A YES.

Q AND DOES IT APPEAR FROM THAT STATEMENT THAT CERTAIN CHECKS WERE WRITTEN ON THAT ACCOUNT IN 1982?

A YES, IT DOES.

Q AND JUST SO WE ARE PERFECTLY CLEAR, WHAT IS THE NAME ON THAT ACCOUNT, SIR?

A GEORGE HANSEN REACH ACCOUNT.

Q O.K. AS OF MARCH 31ST, 1982, WHAT WAS THE BALANCE IN THAT ACCOUNT, SIR?

A $10,129.73.

Q AT MARCH 1ST? MARCH 1ST.

A MARCH 1ST. I'M SORRY. MARCH 1ST, $22,251.23.

Q AND WHAT ARE THE INDICATIONS AFTER THAT?

A O.D., WHICH WOULD INDICATE AN OVERDRAFT.

Q SO IS IT FAIR TO SAY THE ACCOUNT AS OF MARCH 1ST WAS $22,000 IN THE HOLE?

A YES.

Q NOW, I HAND YOU, SIR, WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT 86. I WILL SHOW IT TO COUNSEL FIRST.

MR. ROWE, I HAND YOU A BUNDLE OF DOCUMENTS, ALL MARKED GOVERNMENT EXHIBIT 86, AND ASK YOU, SIR, WHETHER OR NOT THEY REPRESENT DEPOSITS INTO THE GEORGE HANSEN REACH ACCOUNT FOR THE MONTH AS REFLECTED BY GOVERNMENT EXHIBIT 85.

A YES, THEY DO.

Q NOW, I HOPE THEY'RE IN CHRONOLOGICAL ORDER.

MR. WEINGARTEN: FIRST, WE MOVE INTO EVIDENCE GOVERNMENT EXHIBIT 86.

MR. LEWIN: NO OBJECTION.

THE COURT: IN EVIDENCE.

(GOVERNMENT'S EXHIBIT 86 WAS
RECEIVED IN EVIDENCE)

BY MR. WEINGARTEN:

Q ALL RIGHT. WHAT IS THE FIRST DEPOSIT ITEM THAT IS REFLECTED THERE, SIR?

A THE FIRST IS A DEPOSIT ITEM FOR MARCH 2ND, 1982, IN THE AMOUNT OF $23,000.

Q AND IS THERE A DOCUMENT SUPPORTING THAT DEPOSIT?

A THERE IS A CHECK IN THE AMOUNT OF $23,000.

Q FROM WHERE, SIR?

A IT'S DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO, ON AN ACCOUNT BELONGING TO GEORGE HANSEN AND CONNIE HANSEN.

Q WHAT IS THE SECOND DEPOSIT ITEM, SIR?

A THE SECOND DEPOSIT ITEM IS FROM MARCH 15TH, 1982, DEPOSIT IN THE AMOUNT OF $10,024.85. SEVEN CHECKS IN THE DEPOSIT.

Q O.K. IS THERE ONE CHECK FROM THE FIRST INTERSTATE BANK?

A THE FIRST CHECK LISTED ON THE DEPOSIT SLIP IS A CHECK IN THE AMOUNT OF $9,950, FROM THE FIRST INTERSTATE BANK OF IDAHO, AGAIN ON THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

Q ALL RIGHT. WHAT IS THE NEXT DEPOSIT?

A THE NEXT DEPOSIT IS DATED MARCH 17TH, 1982, A DEPOSIT IN THE AMOUNT OF $9,975, AND THAT IS --

Q IS THAT SUPPORTED BY A CHECK?

A IT'S A CHECK DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO, AGAIN DRAWN ON THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

Q ALL RIGHT. IS THERE ANOTHER DEPOSIT ITEM THERE, SIR?

A THERE IS A DEPOSIT DATED MARCH 19TH, 1982, IN THE AMOUNT OF $15,100, IN THE FORM OF A CHECK DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO, DRAWN ON THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

Q AND IS THERE ANYTHING ELSE? IS THERE ONE MORE?

A THERE ARE THREE MORE.

Q O.K. SORRY.

A THE NEXT IS A DEPOSIT DATED MARCH 22ND, 1982, IN THE AMOUNT OF $14,950, IN THE FORM OF A CHECK DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO, DRAWN ON THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

THERE IS A DEPOSIT DATED MARCH 23RD, 1982, FOR $9,975, IN THE FORM OF A CHECK DRAWN DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO, FROM THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

AND FINALLY, THERE IS A DEPOSIT DATED MARCH 26, 1982, FOR $9,875, DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO FROM THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

Q WHO SIGNED ALL THOSE CHECKS THAT WERE DEPOSITED

INTO YOUR BANK FROM THE FIRST INTERSTATE BANK OF IDAHO?

A THEY APPEAR TO HAVE ALL BEEN SIGNED BY GEORGE HANSEN -- G. H. HANSEN.

Q WOULD YOU CHECK AND MAKE SURE, SIR?

A WITH THE EXCEPTION OF THE DEPOSITS OF MARCH 15TH. THERE ARE SIX DEPOSITS NOT DRAWN ON THAT ACCOUNT.

Q ALL RIGHT. JUST THE CHECKS FROM THE FIRST INTERSTATE BANK.

A THEY APPEAR TO ALL BE SIGNED BY G. H. HANSEN.

Q MR. ROWE, WITHOUT BURDENING YOU WITH THE OBLIGATION OF DOING HIGHER MATH AT THIS TIME, CAN YOU IN ROUND FIGURES TELL US HOW MUCH MONEY WAS DEPOSITED BY GEORGE HANSEN INTO YOUR BANK, INTO THE REACH ACCOUNT, FROM THE FIRST INTERSTATE BANK OF IDAHO BETWEEN MARCH THE 2ND AND MARCH THE 26TH?

A APPROXIMATELY $93,000.

Q THANK YOU, SIR.

MR. WEINGARTEN: NO FURTHER QUESTIONS.

THE COURT: CROSS-EXAMINATION.

CROSS-EXAMINATION

BY MR. LEWIN:

Q MR. ROWE, JUST LOOKING AT THOSE DOCUMENTS YOU HAVE BEFORE YOU, MARCH THE 2ND THERE'S A DEPOSIT OF $23,000, IS THAT RIGHT?

A THAT IS CORRECT.

Q AND MARCH THE 8TH, A DEPOSIT OF $11,250?

A ACCORDING TO THE STATEMENT, YES.

Q AND WHAT DID THAT MARCH -- LET'S SEE. THAT MARCH THE 8TH DEPOSIT, WHERE WAS THAT FROM?

A I DO NOT HAVE THAT DOCUMENTATION IN FRONT OF ME.

Q YOU DON'T HAVE THE DOCUMENTATION IN FRONT OF YOU WHERE THE MARCH 8TH DEPOSIT WAS FROM?

A NO, I DO NOT.

Q HOW COME? DID YOU PRODUCE IT PURSUANT TO SUBPOENA?

A I WOULD HAVE TO GO BACK AND LOOK AT THE SUBPOENA TO SEE EXACTLY WHAT DOCUMENTS WERE PRODUCED.

MR. LEWIN: WAS IT PRODUCED, MARCH THE 8TH?

THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 90 MARKED FOR IDENTIFICATION.

(DEFENDANT'S EXHIBIT 90 WAS
MARKED FOR IDENTIFICATION)

BY MR. LEWIN:

Q SHOWING YOU DEFENDANT'S EXHIBIT 90 FOR IDENTIFICATION, THAT'S A DEPOSIT OF $11,250 ON MARCH THE 8TH?

A YES, IT IS.

Q AND THAT DOES NOT COME FROM THE FIRST INTERSTATE BANK OF IDAHO, DOES IT?

A NO. THAT COMES FROM THE SERGEANT-AT-ARMS, HOUSE OF REPRESENTATIVES.

Q IT'S A SERGEANT-AT-ARMS, HOUSE OF REPRESENTATIVES ACCOUNT MAINTAINED IN THE NAME OF --

A GEORGE HANSEN.

Q SO IT'S A BANK ACCOUNT WHICH A CONGRESSMAN HAS AT A BANK AT THE HOUSE IN HIS OWN NAME.

A THAT IS WHAT IT APPEARS TO BE, YES.

Q RIGHT. SO THAT -- WHERE WE STAND AS OF MARCH THE 8TH IS YOU HAVE A DEPOSIT OF $23,000 FROM THE FIRST INTERSTATE BANK AND A DEPOSIT OF $11,250 FROM A TOTALLY DIFFERENT SOURCE. IS THAT CORRECT?

A THAT'S CORRECT.

Q IF I TOLD YOU, MR. ROWE, THAT $40,000 HAD BEEN DEPOSITED IN THE FIRST INTERSTATE BANK OF IDAHO ON MARCH THE 2ND, WOULD IT BE FAIR TO SAY, THEN, THAT YOU COULD NOT SAY THAT THAT $40,000 WAS WITHDRAWN FROM THE FIRST INTERSTATE BANK ON OR ABOUT MARCH THE 2ND AND DEPOSITED IN YOUR BANK?

MR. WEINGARTEN: EXCUSE ME. I'M GOING TO OBJECT TO THE FORM OF THAT QUESTION.

MR. LEWIN: WHY? THAT'S EXACTLY --

THE COURT: CAN YOU ANSWER THE QUESTION AS IT IS ADDRESSED TO YOU?

THE WITNESS: NO, I CANNOT.

BY MR. LEWIN:

Q O.K. LET ME REPHRASE IT. MAYBE IT WAS FRAMED THE WRONG WAY.

THERE'S A $23,000 DEPOSIT ON MARCH THE 2ND FROM THE FIRST INTERSTATE BANK IN IDAHO, IS THAT RIGHT?

A YES. THAT'S CORRECT.

Q NOW, ASSUME WITH ME FOR A MINUTE -- YOU ARE FAMILIAR WITH BANKING PRACTICE AND ALL THAT.

A YES, I AM.

Q O.K. ASSUME WITH ME FOR A MOMENT THAT AN INDIVIDUAL, GEORGE HANSEN BY NAME, TAKES OUT A LOAN AND PUTS THE PROCEEDS, THE $40,000, IN THE FIRST INTERSTATE BANK IN IDAHO.

MR. WEINGARTEN: EXCUSE ME. MAY WE APPROACH THE BENCH?

THE COURT: ALL RIGHT.

(AT THE BENCH)

MR. WEINGARTEN: I OBJECT TO THESE QUESTIONS. THIS IS ARGUMENTATIVE. THIS WITNESS IS A CUSTODIAN. HE DOESN'T HAVE TO ASSUME ANYTHING. HE KNOWS WHAT THE RECORDS REFLECT, AND THAT'S ALL HE KNOWS ABOUT THIS CASE. I SUBMIT MR. LEWIN IS MAKING CLOSING ARGUMENT RIGHT NOW.

MR. LEWIN: I AM NOT. I AM JUST -- WHAT MR. WEINGARTEN IS TRYING TO IMPLY TO THE JURY IS THAT THE AMOUNT THAT WAS PUT IN THE FIRST INTERSTATE BANK IN IDAHO WAS TRANSFERRED RIGHT TO THE RIGGS ACCOUNT. I SUBMIT THE DATES ARE QUITE COINCIDENTAL IN THAT REGARD; THAT IN FACT THAT WAS NOT TRUE, AND THAT IN FACT THAT 23,000, IF YOU LOOK AT IT, WAS NOT TRANSFERRED TO THE RIGGS ACCOUNT. AND I AM ENTITLED TO ASK THIS MAN, WHO IS FAMILIAR WITH BANKING PRACTICE, WHETHER

THAT WAS A WITHDRAWAL OF A $40,000 DEPOSIT IN THE FIRST INTERSTATE BANK.

THE COURT: IF HE CAN TELL FROM THE RECORDS.

MR. LEWIN: HE HAS THE RECORDS BEFORE HIM, AND FROM HIS KNOWLEDGE OF BUSINESS PRACTICE. I DON'T KNOW WHY I CAN'T ASK HIM THAT.

MR. WEINGARTEN: IT'S PURELY ARGUMENTATIVE. HE IS ASKING THE WITNESS QUESTIONS THAT ARE IMPOSSIBLE TO BE WITHIN THE KNOWLEDGE OF THIS WITNESS.

MR. LEWIN: HE IS A BANKER; I CAN ASK HIM WHETHER IT'S TRUE. HE IS TRYING TO DRAW INFERENCES WHICH HE IS TRYING TO DRAW SIMPLY FROM DOCUMENTS. I AM ENTITLED TO ASK THIS MAN, WHO IS A BANKER, WHETHER THOSE INFERENCES ARE PROPER.

MR. WEINGARTEN: THEN WHY DON'T YOU SHOW HIM THE FIRST INTERSTATE BANK ACCOUNT?

MR. LEWIN: BECAUSE YOU HAVE OBJECTED TO ANYBODY WHO IS NOT FROM THE FIRST INTERSTATE BANK TESTIFYING ABOUT THINGS THAT HAVE TO DO WITH THE FIRST INTERSTATE BANK. I DON'T HAVE TO SHOW HIM ANY STATEMENTS AT ALL FROM THE FIRST INTERSTATE BANK.

THE COURT: LET'S SEE IF HE IS ABLE TO ANSWER THAT FROM THE RECORDS HE HAS IN FRONT OF HIM. IF HE IS UNABLE TO, WE WILL NOT PURSUE IT. IF HE IS, FINE.

(IN OPEN COURT)

THE COURT: MR. LEWIN.

BY MR. LEWIN:

Q YOU HAVE BEFORE YOU A STATEMENT FROM YOUR BANK, RIGHT? -- THE RIGGS BANK, INDICATING A DEPOSIT OF $23,000 ON MARCH 2.

A THAT'S CORRECT.

A FROM THE FIRST INTERSTATE BANK. AND I ASK YOU, MR. ROWE, WHETHER IF AN INDIVIDUAL HAD DEPOSITED $40,000 ON MARCH 2, 1982, IN THE IDAHO STATE BANK AND WITHDREW IT ALL AND DEPOSITED IT IN YOUR BANK, WOULD THERE BE AN INDICATION THAT THERE WAS ONLY A $23,000 DEPOSIT?

A NO, THERE WOULD NOT.

Q THE $23,000 DEPOSIT INDICATES THAT THERE WAS A WITHDRAWAL OF ONLY $23,000 AS TO THAT.

A THAT IS CORRECT.

Q AND, INDEED, THE $11,250 DEPOSIT FROM ANOTHER SOURCE INDICATES THAT ANY CHECKS CHARGED AGAINST THE REMAINING BALANCE WERE CHARGED IN PART AGAINST THE DEPOSIT FROM THE HOUSE OF REPRESENTATIVES SERGEANT-AT-ARMS ACCOUNT; IS THAT CORRECT?

A THAT IS CORRECT.

Q ALL RIGHT. THANK YOU.

IN FACT, LET ME ASK YOU BEYOND THAT, MR. ROWE: CAN YOU TELL FROM THE RECORDS THAT YOU HAVE BEFORE YOU PRECISELY FROM WHICH FUNDS OR WHICH DEPOSITS AT THE FIRST INTERSTATE

BANK IN IDAHO THESE CHECKS THAT WERE DEPOSITED TO THE ACCOUNT IN THE RIGGS BANK WERE MADE?

A THE ONLY THING I CAN TELL FROM THE DOCUMENTS I HAVE IN FRONT OF ME IS THAT -- IF WE ARE STILL TALKING ABOUT MARCH 2ND -- $23,000 WAS DRAWN ON WHAT APPEARS TO BE GEORGE AND CONNIE HANSEN'S ACCOUNT AT FIRST INTERSTATE. THE SOURCE OF THE FUNDS BEFORE THEY GET TO THE FIRST IDAHO, I CANNOT DETERMINE.

Q AND THAT SAME HOLDS TRUE WITH REGARD TO EACH OF THE OTHER ENTRIES THAT APPEAR UNDER DEPOSITS AND CREDITS ON YOUR STATEMENT. ISN'T THAT TRUE?

A I CAN DETERMINE WHERE THEY WERE -- WHAT BANK THEY ORIGINATED FROM WHEN THEY WERE DEPOSITED TO RIGGS.

Q BUT YOU CAN'T DETERMINE WHAT DEPOSITS AND IN WHAT AMOUNTS WERE MADE INTO THAT BANK THAT RESULTED IN A BALANCE WHICH PERMITTED THE DEPOSITS IN YOUR BANK.

A THAT'S CORRECT.

MR. LEWIN: THANK YOU. I HAVE NO FURTHER QUESTIONS.

THE COURT: ANYTHING FURTHER?

REDIRECT EXAMINATION

BY MR. WEINGARTEN:

Q MR. ROWE, IS IT FAIR TO SAY THAT ALL YOU CAN TESTIFY TO FROM THOSE RECORDS IS THAT BETWEEN MARCH THE 2ND, 1982, AND MARCH THE 26TH, 1982, APPROXIMATELY $93,000 WAS DEPOSITED IN THE GEORGE HANSEN REACH ACCOUNT FROM THE FIRST INTERSTATE

BANK IN IDAHO?

A THAT'S CORRECT.

MR. WEINGARTEN: THANK YOU, SIR.

THE COURT: ALL RIGHT. THANK YOU, MR. ROWE. YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THIS MATTER IS CONCLUDED.

THE WITNESS: YES, MA'AM.

MR. WEINGARTEN: GOVERNMENT RESTS.

THE COURT: ALL RIGHT. MR. LEWIN?

MR. LEWIN: NO SURREBUTTAL ON THE PART OF THE DEFENSE, YOUR HONOR.

THE COURT: ALL RIGHT, COUNSEL. MAY I SEE YOU UP HERE FOR A MOMENT BEFORE I ADDRESS SOME MATTERS TO THE JURY.

(AT THE BENCH)

THE COURT: I JUST WANT TO MAKE CERTAIN THAT ALL DOCUMENTATION IS IN, EVERYTHING IS DONE BEFORE I LET THIS JURY GO, HERE AT THE BENCH.

MR. LEWIN: YES, YOUR HONOR.

AT THIS POINT, WE WOULD LIKE TO MOVE, AT THE CONCLUSION OF ALL THE EVIDENCE, FOR THE ENTRY OF A JUDGMENT OF ACQUITTAL BASED ON ALL THE EVIDENCE IN THE CASE.

WE SUBMIT THAT ON THE EVIDENCE AS IT NOW STANDS, THERE IS INSUFFICIENT EVIDENCE TO PERMIT A REASONABLE PERSON TO DECIDE BEYOND A REASONABLE DOUBT THAT CONGRESSMAN HANSEN

DID NOT HAVE GOOD FAITH ADVICE OF COUNSEL WHEN HE FILLED OUT THE ETHICS IN GOVERNMENT ACT FORMS THAT WERE SUBMITTED AND ARE THE BASIS OF THE COUNTS IN THE INDICTMENT. THE EVIDENCE IS, I SUBMIT, UNDISPUTED THAT ATTORNEYS WHO HE RELIED ON SPOKE TO HIM AND TOLD HIM ON ALL OCCASIONS WITH REFERENCE TO EACH OF THE FOUR COUNTS IN THE INDICTMENT THAT HE DID NOT HAVE TO INCLUDE THE PARTICULAR ENTRIES THAT ARE CHARGED IN THE INDICTMENT, OR THOSE KINDS OF ENTRIES, ON THE ETHICS IN GOVERNMENT ACT FORM; AND CONSEQUENTLY, WE SUBMIT THAT ON THAT BASIS, IN ADDITION TO WHATEVER GROUNDS HAVE PREVIOUSLY BEEN ARGUED, THERE IS INSUFFICIENT EVIDENCE TO SUBMIT THIS CASE TO THE JURY, BECAUSE A REASONABLE JUROR COULD NOT FIND GUILT BEYOND A REASONABLE DOUBT.

MR. WEINGARTEN: I DON'T THINK -- THE RESPONSE COULD BE ONE SECOND OR ONE HOUR. I WILL MAKE IT BRIEF.

I THINK THE EVIDENCE CLEARLY GETS US TO THE JURY. AS FAR AS THE GOOD FAITH DEFENSE, I THINK IT IS 100 PERCENT CLEAR FROM THE EVIDENCE THAT CONGRESSMAN HANSEN DID NOT DISCLOSE CRUCIAL INFORMATION TO HIS LAWYERS WHO WERE COUNSELING HIM; MOST PARTICULARLY, THE ULTIMATE BENEFIT OF ALL THE MONIES. AND I THINK THE EVIDENCE IS CERTAINLY CLEAR IN THIS CASE THAT HE WAS THE BENEFICIARY OF ALL OF THESE TRANSACTIONS, AND THAT IN AND OF ITSELF GETS US TO THE JURY.

THE COURT: ANYTHING FURTHER?

MR. LEWIN: NO. THAT'S ALL, YOUR HONOR.

THE COURT: ALL RIGHT. YOUR MOTION FOR JUDGMENT OF ACQUITTAL IS DENIED. THE EVIDENCE IS SUFFICIENT FOR A REASONABLE PERSON TO CONCLUDE BEYOND A REASONABLE DOUBT -- THIS REASONABLE PERSON BEING A JUROR, TO CONCLUDE BEYOND A REASONABLE DOUBT THAT THE MATTER HAS BEEN PROVED.

THE JURY WILL BE ADVISED, AS WE HAD TALKED EARLIER, AS TO OUR PLANS FOR THE FUTURE. IT IS EARLY TO LET THEM GO, I KNOW. I AM TRYING TO THINK HOW I AM GOING TO PHRASE THIS TO THEM, HOWEVER INARTFULLY EXPRESSED.

MR. WEINGARTEN: COURT BUSINESS WITH COUNSEL.

THE COURT: I KNOW THAT. WE HAVE A LOT OF BUSINESS. AND I WOULD SUGGEST I HAVE OTHER THINGS TO DO; AND I'M CONFIDENT YOU HAVE OTHER THINGS TO DO. I WANT TO GO OVER THE PROPOSED INSTRUCTIONS, SOME OF WHICH HAVE COME IN THIS MORNING. SPEAKING OF WHICH, I KNOW THE GOVERNMENT SAID YESTERDAY THERE WOULD BE SOME SUPPLEMENTAL.

MR. COLE: WE HAVE THEM HERE FOR YOU, TODAY.

MR. LEWIN: I HAVE NOT FILED ANY FORMAL OBJECTIONS, AND I DON'T THINK THEY HAVE FILED ANY FORMAL OBJECTIONS TO OURS. WILL WE HAVE A CONFERENCE IN WHICH WE WILL BE ABLE TO STATE OUR OBJECTIONS?

THE COURT: OF COURSE. AND I AM JUST TRYING TO THINK OF THE BEST TIME TO DO THAT. I THINK WE SHOULD GET TOGETHER AT 1:30 THIS AFTERNOON TO TAKE CARE OF THOSE MATTERS. THAT SHOULD BE AMPLE TIME TO HAVE EVERYONE DISPERSED. AND

MR. COLE WILL BE HERE.

MR. WEINGARTEN: I MAY BE BACK, IF THE NEWS IS GOOD.

THE COURT: IF YOU'RE BACK, YOU'RE BACK. I MEAN I AM HOPING THAT.

LET ME TELL THE JURY IN MY OWN INARTFUL WAY WE WILL SEE THEM ON MONDAY. IS 9:00 A.M. ON MONDAY AGREEABLE?

MR. LEWIN: THAT'S AGREEABLE, YOUR HONOR.

THE COURT: LET'S DO THAT.

(IN OPEN COURT)

THE COURT: LADIES AND GENTLEMEN OF THE JURY, THE EVIDENCE IN THE CASE HAS BEEN CONCLUDED. THE EXHIBITS THAT WILL GO WITH YOU SUBSEQUENTLY TO THE JURY ROOM ARE IN EVIDENCE, AND WHAT REMAINS NOW FOR THE COURT AND THE COUNSEL ARE CONSIDERABLE MATTERS THAT WE HAVE TO GO OVER THAT WILL TAKE US A SUBSTANTIAL AMOUNT OF TIME TO CLARIFY TO THE POINT THAT IT CAN BE PRESENTED TO YOU IN SOME TRANSLATABLE FASHION. THESE ARE THE TECHNICAL MATTERS THAT COME WITH EVERY CASE, AND THIS CASE IS NO MORE UNUSUAL IN THAT MANNER THAN ANY OTHER CASE, THAT COUNSEL AND THE COURT HAVE TO GO OVER THESE MATTERS.

WHAT WILL OCCUR -- AND IT WILL BE IMPOSSIBLE FOR US TO FINISH ALL THESE OTHER REMAINING MATTERS TO BE DELIVERED TO YOU UNTIL MONDAY MORNING. SO, WHAT WILL HAPPEN IS THAT WE ARE RECESSING YOU AT THIS TIME. SUSPECTING THAT WE MIGHT GET CLOSER TO THE LUNCH HOUR TODAY AND NOT BEYOND BEYOND IT, I HAD ALREADY ALERTED THE MARSHALS THAT YOU SHOULD GET A

VERY GOOD LUNCHEON TODAY AND THAT THEY SHOULD MAKE SOME PLANS FOR YOUR SPECIAL ENTERTAINMENT THIS EVENING, SATURDAY AND SUNDAY.

WE WILL START ON MONDAY MORNING WITH YOU. WE HAVE OUR OWN WORK CUT OUT FOR US IN THE NEXT DAY OR TWO. WE WILL START ON MONDAY MORNING WITH YOU AT 9:00 O'CLOCK IN THE MORNING, AT WHICH TIME THERE WILL BE THE CLOSING ARGUMENTS OF COUNSEL WHICH YOU WILL HEAR FROM BOTH SIDES OF THE TABLE, FROM THE GOVERNMENT AND FROM THE DEFENSE COUNSEL, AND FOLLOWING WHICH THERE WILL PROBABLY BE A LUNCHTIME RECESS AT THIS TIME. IT'S VERY HARD TO PREDICT THESE THINGS, BUT THAT'S WHAT WE ESTIMATE. PROBABLY THERE WILL BE A LUNCHTIME RECESS, THEN, AND THEN IMMEDIATELY AFTER LUNCH TIME, THE INSTRUCTIONS WILL BE DELIVERED TO YOU WHICH YOU MUST CARRY WITH YOU AS PART OF THE CASE.

IMMEDIATELY AFTER THE INSTRUCTIONS -- AND WE ESTIMATE THAT THAT SHOULD BE SOMEWHERE BETWEEN 2:00 AND 3:00 O'CLOCK ON MONDAY -- THE CASE WILL BE DELIVERED TO YOU FOR YOUR DETERMINATION SO THAT YOU CAN START DELIBERATING AND THEN MAKING YOUR DETERMINATION.

WE THOUGHT IT WAS IMPORTANT THAT WE ADVISE YOU NOW OF WHAT IS GOING TO BE OUR SCHEDULE ON MONDAY, SO YOU KNOW THAT THAT WILL BE THE DAY UPON WHICH YOU CAN START YOUR ACTUAL DELIBERATIONS IN THIS CASE -- ALL THINGS WILLING, WITH WEATHER AND ALL OTHER FACTORS THAT MIGHT BE BEYOND OUR CONTROL.

BUT THAT IS ACTUALLY WHAT WE ANTICIPATE.

SO WE HOPE THAT YOU HAVE A VERY GOOD WEEKEND. WE WILL CONTINUE -- AND I WOULD ASK THAT COUNSEL WAIT FOR A MOMENT OR TWO AFTER THE JURY HAS LEFT. WE WILL CONTINUE TO WORK ON OUR MATTERS THROUGHOUT THE COURSE OF THE DAY AND THEREAFTER.

SEE YOU MONDAY, 9:00 O'CLOCK. THE MARSHALS HAVE INSTRUCTIONS IN THAT REGARD TO HAVE YOU HERE BRIGHT, EARLY, AND READY TO CONTINUE YOUR WORK FOR WHATEVER LENGTH OF TIME IT MIGHT BE. HAVE A GOOD WEEKEND.

(THE JURY WAS EXCUSED AT 10:40 A.M. UNTIL 9:00 A.M., MONDAY, APRIL 2, 1984)

(FURTHER PROCEEDINGS WERE HELD WHICH ARE NOT TRANSCRIBED IN THIS VOLUME)

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

- - - - - - - - - - - - - - - - - - - x

UNITED STATES OF AMERICA :

VS. : CRIMINAL ACTION NO. 83-75

GEORGE VERNON HANSEN, :

DEFENDANT : VOLUME NO. 11

- - - - - - - - - - - - - - - - - - - x

WASHINGTON, D. C.

MONDAY, APRIL 2, 1984

THE ABOVE-ENTITLED MATTER CAME ON FOR FURTHER TRIAL BY JURY BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT JUDGE, AT APPROXIMATELY 9:00 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER
4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

INDEX

	PAGE
CLOSING ARGUMENT ON BEHALF OF THE GOVERNMENT BY MR. WEINGARTEN	1807
CLOSING ARGUMENT ON BEHALF OF THE DEFENDANT BY MR. LEWIN	1842
REBUTTAL ARGUMENT ON BEHALF OF THE GOVERNMENT BY MR. WEINGARTEN	1907
JURY CHARGE BY THE COURT	1934
VERDICT	1978

P R O C E E D I N G S

(JURY NOT PRESENT)

THE COURT: GOOD MORNING. ARE COUNSEL READY TO PROCEED?

MR. WEINGARTEN: YES, YOUR HONOR.

THE COURT: MR. LEWIN?

MR. LEWIN: YOUR HONOR, THERE ARE JUST TWO SMALL MATTERS WITH REGARD TO JURY INSTRUCTIONS THAT I WOULD LIKE TO RAISE BEFORE THE JURY COMES IN. ONE IS A MATTER THAT I THINK HAD BEEN LEFT OPEN IN OUR CONFERENCE THAT WE HAD THE OTHER DAY, AND I THINK IT WAS JUST OVERLOOKED AT THE END OF THE CONFERENCE, AND THAT IS THE LOCATION OF THE CHARACTER TESTIMONY. AND I JUST WOULD REQUEST THAT THAT BE PUT NOT TOGETHER WITH THE CREDIBILITY OF WITNESS INSTRUCTIONS, BUT AT SOME LATER POINT.

THE COURT: IT WILL BE.

MR. LEWIN: THANK YOU.

THE OTHER MATTER, WHICH I GUESS I DID NOT RAISE, BUT I WOULD SUGGEST TO YOUR HONOR, IS THAT IN CERTAIN CIRCUITS, I KNOW THE SEVENTH CIRCUIT REQUIRES IT AND OTHERS PERMIT IT OR RECOMMEND IT -- IS THAT THE MATTER OF YOUR HONOR'S JURY INSTRUCTIONS IN WRITTEN FORM BE SENT IN TO THE JURY TOGETHER WITH THE EXHIBITS. I DON'T KNOW WHAT YOUR HONOR'S USUAL PRACTICE IS, BUT I WOULD REQUEST THAT THAT BE DONE.

THE COURT: IT COULDN'T POSSIBLY BE DONE AT THIS LAST MOMENT, WITH ALL OF THE INTERLINEATIONS AND CHANGES AND

ADDITIONS THAT WE MADE ON LATE FRIDAY, MR. LEWIN, WHEN WE ALL SAT TOGETHER AND WORKED OVER THOSE INSTRUCTIONS. IT WASN'T MENTIONED AT THAT TIME , AS YOU KNOW, AS YOU HAVE JUST SAID. AND IT ISN'T FREQUENTLY DONE IN THIS CIRCUIT, AS YOU PROBABLY ALSO APPRECIATE, ALTHOUGH IT WELL MAY BE DONE IN OTHER CIRCUITS.

I AM NOT SAYING THAT I DISAGREE THAT IT MAY BE A GOOD IDEA TO DO IT IN AN APPROPRIATE CASE. BUT IT COULD NOT POSSIBLY BE PREPARED IN TIME NOW, THIS ONE-HALF INCH THICK GIVING OF INSTRUCTIONS, TO HAVE IT IN ANY TRANSLATABLE FORM SO THAT THE JURY CAN SEE IT WITHOUT THE EDITINGS THAT WE HAVE PUT ON THEM. SO THAT IN ORDER THAT THEY CAN HAVE A CLEAR RENDITION, WE WOULD HAVE TO DO IT THIS WAY.

I HAVE ONE OTHER SUGGESTION THOUGH, AND THAT IS I DO HAVE A TAPE RECORDING MADE OF THE INSTRUCTIONS AS THEY ARE BEING DELIVERED, CONTEMPORANEOUSLY WITH THE DELIVERY OF THOSE INSTRUCTIONS, WITH ALL THE COUGHINGS AND THE CHANGES OF AN "A" TO A "THE" OR WHATEVER IT MAY BE. AND IF IT IS AGREEABLE WITH COUNSEL, WE COULD SEND THAT TAPE RECORDING IN TO THE JURY.

MR. LEWIN: THAT'S A POSSIBILITY, IF I COULD JUST THINK ABOUT THAT UNTIL SUCH TIME AS THE INSTRUCTIONS ARE GIVEN.

THE COURT: IT WILL BE MADE IN ANY EVENT, AND THEN YOU CAN THINK ABOUT IT, COUNSEL. AND IT WILL BE MADE, AND THAT WILL TAKE CARE OF THE MATTER THAT YOU ARE REFERENCING.

MR. LEWIN: THANK YOU.

THE COURT: AND AS FAR AS THE INDICTMENT GOING IN TO THE JURY, WHAT IS THE COUNSEL'S PLEASURE?

MR. WEINGARTEN: YES.

THE COURT: THAT IS CUSTOMARILY DONE, AND I ASSUMED THAT YOU KNEW IT WAS, BUT I DIDN'T WANT ANYTHING TO COME AS A SURPRISE TO YOU.

MR. LEWIN: YES, YOUR HONOR.

THE COURT: ALL RIGHT. FINE. LET'S CALL IN THE JURY. REMEMBER, YOU EACH HAVE AN HOUR-AND-A-HALF, HOWEVER YOU WANT TO ALLOCATE IT. I HOPE WE CAN COMPLETE THE ARGUMENT BEFORE THE LUNCHTIME RECESS, AND PERHAPS TAKE A FIVE OR TEN-MINUTE BREAK IN BETWEEN. IF COUNSEL WOULD GIVE ME AN IDEA WHEN IS A GOOD TIME TO TAKE A BREAK, WE'LL DO IT THEN. IT IS ALWAYS DIFFICULT TO INTERRUPT THE FLOW OF ANYONE'S CLOSING ARGUMENT.

MR. LEWIN: JUST THE ONE THING THAT I JUST HAVE IN MIND IS JUST AT THE CONCLUSION OF MR. WEINGARTEN'S ARGUMENT, I MAY NEED TWO OR THREE MINUTES JUST TO BRING THINGS AROUND AND PUT THE EXHIBITS DOWN, IF THAT'S ALL RIGHT. I DON'T KNOW WHETHER IT MAKES SENSE TO HAVE A RECESS THEN.

THE COURT: MAYBE THAT IS A GOOD TIME, THEN, TO TAKE OUR QUICK RECESS, BECAUSE WE DO WANT THEM TO LISTEN TO MOST OF YOUR ARGUMENT UNINTERRUPTEDLY.

FINE. GOOD. WE'RE READY.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: COUNSEL MAY HAVE A SEAT; MR. HANSEN, YOU MAY HAVE A SEAT.

WE COME NOW TO THE CLOSING CHAPTERS -- STILL SOME REMAINS, OF COURSE -- OF THE CASE. AND AS IS CUSTOMARY, WE BEGIN THE CLOSING ARGUMENT WITH THE GOVERNMENT COUNSEL. WE THEN GO TO DEFENSE COUNSEL, AND THEN WE COME BACK AT THE VERY END TO GOVERNMENT COUNSEL.

AS I INDICATED TO YOU ON FRIDAY WHEN WE RECESSED, FOLLOWING THE ARGUMENTS OF COUNSEL, WE WILL PROBABLY HAVE REACHED THE LUNCHTIME RECESS. WE WILL THEN TAKE THAT LUNCHTIME RECESS, AND RIGHT AFTER LUNCHTIME RECESS, IF THE PLANS GO AS WE ANTICIPATE, I WILL BE GIVING YOU THE INSTRUCTIONS IN THIS CASE. AND IMMEDIATELY FOLLOWING THAT, YOU WILL RETIRE TO COMMENCE UPON YOUR DELIBERATIONS.

PLEASE REMEMBER, UNTIL I DO GIVE YOU THOSE MAGIC WORDS, THOUGH, YOU WILL NOT BE DISCUSSING THE CASE WITH ANYONE, NOR WILL YOU COMMENCE YOUR DELIBERATIONS.

AND NOW, CLOSING ARGUMENT, BEGINNING WITH GOVERNMENT COUNSEL. MR. WEINGARTEN.

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

MR. WEINGARTEN: THE EVIDENCE IS IN; THE JOB OF THE ATTORNEYS IS COMING TO A CLOSE. SOON YOU 12 JURORS -- AND, OF COURSE, JUST 12, NOT 14 -- YOU 12, UNTRAINED IN THE LAW BUT, NO DOUBT, RICH IN INTELLIGENCE, EXPERIENCE AND COMMON SENSE, WILL HAVE TO DETERMINE THE GUILT OR INNOCENCE OF CONGRESSMAN HANSEN. THE JOB NOW IS TO SUMMARIZE THE EVIDENCE. THIS IS JUST ANOTHER STEP IN THE LONG, ARDUOUS PROCESS THAT BEGAN WITH YOUR SELECTION AND CONCLUDES WITH YOUR VERDICT -- A PROCESS THAT HAS JUST ONE PURPOSE IN MIND: A FAIR AND JUST VERDICT. YES, EVERYTHING WE DO, FROM SEQUESTERING YOU TO ARGUING ABOUT EVIDENCE, TO PRESENTING EVIDENCE, TO CROSS-EXAMINING WITNESSES, TO INTRODUCING DOCUMENTS -- EVERYTHING WE DO HAS ONE PURPOSE IN MIND: A FAIR AND JUST VERDICT.

LADIES AND GENTLEMEN, WE ALL LOSE IF DEFENDANTS DON'T GET FAIR TRIALS. WE ALL LOSE IF INNOCENT PEOPLE ARE FOUND GUILTY AT THE END OF JURY TRIALS. AND WE ALL LOSE IF PEOPLE WHO COMMIT CRIMES ARE ACQUITTED AT THE CONCLUSION OF A TRIAL.

NOW, THESE ARE FINE-SOUNDING WORDS, AND WHAT DO THEY MEAN? I THINK THEY MEAN, FOR YOUR PURPOSES, THAT YOU MUST GET AT THE TRUTH. YOU CANNOT ARRIVE AT A FAIR AND JUST VERDICT WITHOUT KNOWING THE TRUTH, WITHOUT KNOWING ALL THE TRUE CIRCUMSTANCES THAT SURROUND THIS CASE. IT'S NOT SO EASY, NOT SO EASY TO DO. YOU HAVE A LOT OF EXHIBITS, YOU HAD OVER 20 WITNESSES; YOU HAVE TWO WEEKS OF TESTIMONY. AND YOUR ONLY

TOOLS ARE YOUR INTELLIGENCE, YOUR EXPERIENCE FROM LIVING IN THE DISTRICT OF COLUMBIA, AND YOUR COMMON SENSE. BUT SUBSTANTIAL TOOLS THEY ARE. SUBSTANTIAL TOOLS THEY ARE. YOUR INTELLIGENCE TO KNOW WHEN AN INDIVIDUAL GOES TO HIS FAVORITE LAWYER TO EVADE THE LAW. YOUR INTELLIGENCE TO KNOW THAT YOU CAN'T SPEND THE SAME MONEY TWICE, AND YOUR COMMON SENSE TO KNOW WHEN SOMEONE IS TRYING TO PULL ONE OVER ON YOU.

WHATEVER YOU DO, LADIES AND GENTLEMEN, DON'T LEAVE YOUR EXPERIENCE, YOUR INTELLIGENCE, AND YOUR COMMON SENSE OUTSIDE OF THE JURY ROOM.

NOW, WHAT IS THE TRUTH IN THIS CASE? THE CASE BEGINS ON CAPITOL HILL. THE DEFENDANT, GEORGE HANSEN, HAS BEEN A CONGRESSMAN FROM 1965 TO 1969 AND FROM 1975 TO PRESENT, ABOUT FOURTEEN YEARS. AND NATURALLY, YOU ARE NOT GOING TO HOLD THAT AGAINST HIM. THE FACT HE'S A CONGRESSMAN IS NOT TO BE USED AGAINST HIM. AND SIMILARLY, HE IS NOT TO GET SPECIAL FAVORS BECAUSE HE IS A CONGRESSMAN. HE IS A CONGRESSMAN, AND IT'S RELEVANT TO THE CASE BECAUSE IT MAKES HIM SUBJECT TO THE ETHICS IN GOVERNMENT ACT.

AFTER THE WATERGATE SCANDAL, LADIES AND GENTLEMEN, CONGRESS PASSED A LAW THAT HAD AS ITS PURPOSE THE RESTORATION OF THE PEOPLE'S FAITH IN THE HONESTY IN GOVERNMENT. A MAJOR COMPONENT OF THAT ACT WAS FINANCIAL DISCLOSURE, SO THAT THE PUBLIC COULD KNOW ABOUT THE FINANCIAL AFFAIRS OF ITS OFFICIALS AND SO THAT CONFLICTS OF INTEREST COULD BE PREVENTED.

WHAT IS A CONFLICT OF INTEREST? A CONFLICT OF INTEREST IS A PUBLIC OFFICIAL DOING SOMETHING IN HIS OFFICIAL CAPACITY, LIKE LOBBYING THE PENTAGON, FOR EXAMPLE, AND AT THE SAME TIME BENEFITING PERSONALLY, LIKE LOBBYING THE PENTAGON AND RECEIVING MONIES FROM PRIVATE INDIVIDUALS.

THE FINANCIAL DISCLOSURE PORTIONS OF THE ETHICS IN GOVERNMENT ACT REQUIRE YOU TO REPORT YOUR FINANCES, INCLUDING YOUR LOANS, INCLUDING YOUR COMMODITIES TRANSACTIONS. AND WHAT ABOUT COMMODITIES TRANSACTIONS AND LOANS IN YOUR WIFE'S NAME? YOU MUST REPORT THEM, WITH TWO EXCEPTIONS. THE FIRST EXCEPTION IS IF IN FACT THERE IS A REAL AND LEGITIMATE SEPARATION BETWEEN YOU AND YOUR WIFE, THEN YOU DON'T HAVE TO REPORT THE TRANSACTION. BUT BEFORE YOU CAN REACH THAT POINT, YOU HAVE TO PASS A THREE-PRONGED TEST. AND THAT, OF COURSE, IS THE CHART THAT WAS A GOVERNMENT EXHIBIT.

LET ME SAY THAT AGAIN; IT'S IMPORTANT. IF IN FACT YOUR WIFE IS TRULY SEPARATE FROM YOU, HER AFFAIRS ARE TRULY APART FROM YOURS, YOU DON'T HAVE TO REPORT THE TRANSACTIONS IF YOU MEET THIS TEST. CONGRESS CONSIDERED IN THE ETHICS IN GOVERNMENT ACT THAT THERE MAY BE OCCASIONS WHERE A CONGRESSMAN'S WIFE DOES ENACT BUSINESS TOTALLY SEPARATE FROM HIM. THAT'S O.K. BUT BEFORE YOU CAN EXCLUDE THOSE TRANSACTIONS, YOU HAVE TO MEET THIS TEST. YOU MUST HAVE NO KNOWLEDGE OF THE TRANSACTION; YOU MUST HAVE NO PARTICIPATION IN THE TRANSACTION; AND YOU MUST NOT BENEFIT FROM THE TRANSACTION. IF

YOU CAN'T MEET ALL THREE PARTS OF THAT TEST, YOU GOT TO REPORT THE TRANSACTIONS IN YOUR WIFE'S NAME.

THE SECOND PART -- THE SECOND EXCEPTION, THE SECOND TIME, AND THE ONLY TIME -- THE ONLY OTHER TIME YOU DON'T HAVE TO REPORT YOUR WIFE'S BUSINESS IS IF THE SPOUSE IS LIVING SEPARATE AND APART AND THE INTENTION IS TO TERMINATE THE MARRIAGE. IN OTHER WORDS, IF THE MARRIAGE IS KAPUTE, THE MARRIAGE IS OVER, THE WIFE IS OUT OF THE HOUSE, THEN YOU DON'T HAVE TO REPORT THE WIFE'S TRANSACTIONS.

ON THE FORM ITSELF THERE ARE PROVISIONS TO INDICATE IF YOU HAVE MET EITHER OF THESE TWO EXCEPTIONS. IF IN FACT YOU MET THE THREE-PART TEST, IF YOUR WIFE IS LEGITIMATELY SEPARATE FROM YOURS AND YOU DON'T REPORT HER TRANSACTIONS, YOU MUST SO INDICATE ON THIS PART OF THE FORM HERE: "ARE YOU AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE STANDARDS OF EXEMPTION?" IN OTHER WORDS, IF YOUR WIFE IS TRULY SEPARATE FROM YOU AND YOU ARE NOT REPORTING HER BUSINESS, YOU HAVE TO PUT "YES" HERE. IF, IN FACT, YOUR WIFE DOESN'T LIVE WITH YOU, THE MARRIAGE IS OVER, THE INSTRUCTIONS FROM THE HOUSE OF REPRESENTATIVES THAT GO TO ITS MEMBERS SAY YOU ARE TO PUT "N/A", SO THERE IS A MESSAGE TO THE PEOPLE WHO REVIEW THESE FORMS THAT THERE IS IN FACT PROPERTY IN THE WIFE'S NAME THAT IS NOT BEING INCLUDED ON THIS FORM.

THE INTENT OF THE ETHICS IN GOVERNMENT ACT IS TO

RESTORE CONFIDENCE IN THE INTEGRITY OF PUBLIC OFFICIALS. ITS MAJOR COMPONENT IS FINANCIAL DISCLOSURE. IF A CONGRESSMAN CAN DUMP HIS FINANCIAL AFFAIRS IN HIS WIFE'S NAME AND THEN HIDE THEM FROM PUBLIC VIEW, THE INTENT OF THE ACT WOULD BE DESTROYED.

THE INDICTMENT IN THIS CASE CHARGES THAT CONGRESSMAN HANSEN FILED FALSE FINANCIAL STATEMENTS THE FIRST FOUR YEARS THE ETHICS IN GOVERNMENT ACT WAS LAW. THE INDICTMENT READS CHRONOLOGICALLY, BUT BACKWARDS. IT BEGINS WITH THE STATEMENT HE FILED IN 1982 AND GOES BACKWARDS. THERE ARE FOUR COUNTS: 1982, 1981, 1980, AND 1979. FOR PURPOSES OF PRESENTING THE FACTS, I WILL GO CHRONOLOGICALLY IN THE RIGHT ORDER. I THINK IT IS MORE UNDERSTANDABLE, AND I KNOW YOU WILL UNDERSTAND THE INDICTMENT WHEN YOU SEE IT.

THE CASE BEGINS WITH NELSON BUNKER HUNT. WHO IS HE? WELL, HE'S A TEXAS OILMAN, A MILLIONAIRE. YOU RECALL HIS BANKER, SAM HENRY, REPORTING HIS NET WORTH AS OF 1977, $139 MILLION. I ASKED HIM WHETHER OR NOT HE HAS ANY INTERESTS IN IDAHO. HE SAYS, "WELL, I HAVE A FEW FEDERAL OIL AND GAS LEASES, BUT, YOU KNOW, WE PROBABLY HAVE OIL AND GAS LEASES IN THIRTY STATES."

THERE'S MANY, MANY INTERESTS THAT ARE PROFOUNDLY AFFECTED BY WHAT GOES ON ON CAPITOL HILL. HE'S A CAMPAIGN CONTRIBUTOR TO GEORGE HANSEN. HE HAS VERY SIMILAR PHILOSOPHICAL VIEWS AS GEORGE HANSEN.

AND BY THE WAY, GEORGE HANSEN HAS BEEN HELD OUT TO YOU AS A CONSERVATIVE. YOU MAY BE CONSERVATIVE; YOU MAY BE LIBERAL. WHATEVER YOUR VIEWS, IT IS ABSOLUTELY IRRELEVANT TO THIS CASE WHAT YOU THINK ABOUT CONSERVATISM. THAT IS NOT THE CASE. THIS CASE IS FINANCIAL AFFAIRS.

THERE CAME A TIME WHEN CONGRESSMAN HANSEN ASKED NELSON BUNKER HUNT FOR SOME MONEY BECAUSE HE SAID HE HAD THREE HUNDRED TO FOUR HUNDRED THOUSAND DOLLARS IN LEGAL BILLS FROM A POLITICAL FIGHT WITH WAYNE HAYS, AND HE WANTED A CONTRIBUTION FROM HUNT. HUNT SAID HE WAS SYMPATHETIC TO THIS REQUEST, BUT HE DIDN'T DIG RIGHT INTO HIS POCKET, BECAUSE HE WAS CONCERNED ABUT THE LEGAL PROBLEMS THAT WOULD BE CAUSED BY SIMPLY REACHING INTO HIS POCKET AND GIVING CONGRESSMAN HANSEN SOME MONEY. HE THOUGHT ABOUT TRYING TO HELP HIM MAKE SOME MONEY. AND THEN, HE HAD SECOND THOUGHTS ABOUT THAT, TOO. AND HIS ANSWER: "AND THEN AS I THOUGHT ABOUT IT FURTHER, I FELT THAT IT MIGHT NOT LOOK GOOD FOR ME, YOU KNOW, TO BE TRYING TO HELP A CONGRESSMAN MAKE MONEY. SOMEBODY MIGHT BE SUSPICIOUS ABOUT IT."

WELL, AT THAT POINT, CONGRESSMAN HANSEN SAID, "NO PROBLEM, NO PROBLEM. I SEPARATED MY AFFAIRS FROM MY WIFE'S." THIS IS HOW NELSON BUNKER HUNT DESCRIBED IT: "HE SAID" -- AND HE'S TALKING ABOUT CONGRESSMAN HANSEN. "HE SAID THEY HAD SEPARATE ACCOUNTS. I DON'T KNOW WHETHER IT WAS TAX ACCOUNTS OR BANK ACCOUNTS OR JUST WHAT, BUT HE SAID THAT THERE WERE

LEGAL ACCOUNTS BETWEEN HE AND HIS WIFE."

NELSON BUNKER HUNT THOUGHT THAT WAS A FINE IDEA. HE WAS PERFECTLY PREPARED TO HELP PAY CONGRESSMAN HANSEN'S THREE TO FOUR HUNDRED THOUSAND DOLLARS IN LEGAL FEES BY GOING THROUGH MRS. HANSEN. HE SAID, "EVENTUALLY, I RECOMMENDED TO HER THAT SHE BUY SOME SOYBEANS."

WE PREPARED SOME CHARTS TO ASSIST YOU IN UNDERSTANDING THESE TRANSACTIONS. THESE CHARTS ARE JUST SKELETONS. THERE'S MUCH, MUCH MORE EVIDENCE SURROUNDING EACH TRANSACTION. SIMPLY USE THESE CHARTS TO GET YOUR BEARINGS AND PROVIDE YOU WITH HARD FACTS UPON WHICH YOU CAN RELY COMFORTABLY.

NOW, THE SOYBEAN SITUATION. I AM SURE THAT IF YOU DON'T KNOW ANYTHING ABOUT THE COMMODITIES MARKET, YOU ARE OVERWHELMED BY THE COMPLEXITY OF ALL THE EVIDENCE THAT CAME ABOUT COMMODITIES. DON'T WORRY ABOUT IT. YOU SIMPLY MUST RECALL THE WORDS OF OWEN NICHOLS: THE HORRIBLE UP-AND-DOWN WORLD OF THE COMMODITIES MARKET, WHERE THOUSANDS AND THOUSANDS OF DOLLARS CAN BE WON AND LOST IN A MATTER OF MINUTES.

THE CHART REFLECTS WHAT HAPPENED. NICHOLS ORDERS PURCHASE OF 50 SOYBEAN CONTRACTS, VALUE: ABOUT TWO-AND-A-HALF MILLION DOLLARS. THAT ORDER CAME ON AN INSTRUCTION FROM WHO? FROM MRS. HANSEN? NO. FROM NELSON BUNKER HUNT. THE CONTRACTS PLACED IN ACCOUNT OPENED FOR MRS. HANSEN. WHEN? AFTER THE MARKET WENT UP AND A PROFIT WAS ASSURED. NELSON BUNKER HUNT GETS ON THE PHONE TO NICHOLS, "TRANSFER THOSE

CONTRACTS INTO AN ACCOUNT FOR MRS. HANSEN."

CONTRACTS SOLD THAT DAY; NICE PROFIT, OVER $50,000. THEN, AND ONLY THEN, DID OWEN NICHOLS TALK FOR THE FIRST TIME, AND ONLY TIME, WITH CONNIE HANSEN.

TWO DAYS LATER, NICHOLS ORDERS PURCHASE OF 20 SOYBEAN CONTRACTS FOR ACCOUNT OF MRS. HANSEN; VALUE: A COOL MILLION DOLLARS. CONTRACTS SOLD, EVEN. 25TH, MORE CONTRACTS, $2 MILLION; SOLD, A LOSS OF $85,000.

LADIES AND GENTLEMEN, THE POINT HERE IS THAT EVERY DECISION MADE BY NICHOLS IN THESE COMMODITIES TRANSACTIONS WERE MADE BY HUNT. NICHOLS HAD NO DISCRETION, PURSUANT TO THE EVIDENCE THAT YOU HAVE RECEIVED, TO MAKE ANY DECISIONS HIMSELF WITHOUT ANY INSTRUCTIONS. AND IT WAS NICHOLS' TESTIMONY -- AND I SUBMIT NICHOLS IS A NEUTRAL PROFESSIONAL WHO HAS NO AXE TO GRIND IN THIS CASE -- THAT HE NEVER SPOKE TO CONNIE HANSEN AFTER THE FIRST CALL ON APRIL THE 20TH.

EVERY DECISION MADE BY HUNT. NO DISCRETION BY NICHOLS TO DO ANYTHING WITHOUT HUNT'S ORDERS. THE CONTRACTS WERE PERCEIVED BY NICHOLS TO BE GUARANTEED BY HUNT TO PROTECT HIM FROM A LOSS.

THE POINT TO ALL THIS IS THAT NELSON BUNKER HUNT WAS TRYING TO PUT MONEY IN GEORGE HANSEN'S POCKET NOT BY SIMPLY HANDING THE MONEY, BUT COMING UP WITH A COMMODITY SCHEME WITH CONNIE HANSEN'S NAME UP FRONT. SHE, OBVIOUSLY, HAD NOTHING WHATEVER TO DO WITH THESE TRANSACTIONS.

OF COURSE, THIS PARTICULAR TRANSACTION DIDN'T WORK OUT TOO WELL. EVEN NELSON BUNKER HUNT CAN'T CONTROL THE COMMODITIES MARKET. AND THEY STAYED IN THE MARKET A BIT TOO LONG AND WOUND UP WITH A $33,000 LOSS.

WHAT DID THEY DO ABOUT THE LOSS? WELL, RIGHT DOWN TO DALLAS TO BORROW $50,000 FROM THE FIRST NATIONAL BANK. THAT BANK WOULD NEVER HAVE MADE THAT LOAN WITHOUT NELSON BUNKER HUNT'S GUARANTEE. $50,000 LOAN CHECK DEPOSITED IN THE ACCOUNT OF GEORGE AND CONNIE HANSEN AT THE ARLINGTON TRUST. BOTH GEORGE AND CONNIE HANSEN WRITE CHECKS ON THIS ACCOUNT, AND THOSE CHECKS HAVE BEEN RECEIVED INTO EVIDENCE.

MRS. HANSEN ISSUES A CHECK FROM THE ACCOUNT OF GEORGE AND CONNIE HANSEN TO PAY FOR THE SOYBEAN LOSS. SHE WAS SO IGNORANT ABOUT THE PARTICULAR SOYBEAN TRANSACTION THAT SHE DIDN'T EVEN KNOW HOW MUCH MONEY SHE HAD LOST. SHE WROTE A CHECK TO THE COMMODITIES HOUSE FOR $40,000, NOT $33,000. AND THE COMMODITIES HOUSE HAD TO SEND A CHECK BACK TO HER FOR OVER $6,000.

OF COURSE, CONNIE HANSEN DID GO TO DALLAS AND TALK TO THE DALLAS BANKER. THEREAFTER, EVERY CONTACT BETWEEN THE DALLAS BANK AND THE HANSENS WAS WITH GEORGE HANSEN. HE TOOK OVER COMPLETELY THE HANDLING OF THIS LOAN. GEORGE HANSEN CALLS SAM HENRY, THE BANKER, IN RESPONSE TO A REQUEST FOR PAYMENT OF OVERDUE INTEREST. HE WAS THE ONE HANDLING THIS LOAN. OF COURSE, WHAT DID GEORGE HANSEN SAY TO SAM HENRY?

"I HAVE A CHECK IN THE MAIL." DID THE CHECK EVER COME? OF COURSE NOT.

$50,000 TO MRS. HANSEN FROM THE DALLAS BANK IS RENEWED AND BACK-DATED TO MAY 26, 1978; RENEWED LOAN IS GUARANTEED BY HUNT, AND EVENTUALLY HUNT HAS TO PAY THE NOTE OFF WHEN THE HANSENS FORFEIT ON IT. MRS. HANSEN PAID ABOUT A THOUSAND DOLLARS WORTH OF INTEREST ON THE $50,000 LOAN, ONCE. THAT IS IT. FROM MAY, 1977, UNTIL JUNE, 1980, SHE PAID $1,000 ON A $50,000 NOTE, AND NELSON BUNKER HUNT WAS FORCED TO PAY IT OFF.

THE QUESTION, THE THREE-PART TEST: DID GEORGE HANSEN HAVE KNOWLEDGE OF THIS LOAN? OF COURSE HE HAD KNOWLEDGE OF THESE LOANS. HE WAS THE ONE DEALING WITH HUNT; HE WAS THE ONE DEALING WITH SAM HENRY.

WERE THESE LOANS INDEPENDENT OF GEORGE HANSEN? OF COURSE NOT. HE WAS THE ONE DEALING WITH THE DALLAS BANK; HE WAS THE ONE DEALING WITH NELSON BUNKER HUNT AT ALL TIMES.

WAS THERE BENEFIT TO GEORGE HANSEN BECAUSE OF THESE LOANS? THE $50,000 WENT INTO A JOINT ACCOUNT, UPON WHICH HE WROTE THE CHECKS. THE $50,000 CHECK WAS ENDORSED BY BOTH NAMES, AND YOU RECALL THAT WHEN IT WAS DEPOSITED IN THE ARLINGTON BANK ON MAY 27TH, 1977, $5500 IN CASH WAS TAKEN BACK. MRS. HANSEN HAD NO IDEA ABOUT THAT $5500 IN CASH WHEN SHE TESTIFIED. GUESS WHO PUT THAT $5500 CASH IN HIS POCKET WHEN HE WALKED OUT OF THAT BANK?

OF COURSE, THE SOYBEAN LOSS IS DEDUCTED FROM CONGRESSMAN HANSEN'S JOINT TAX RETURN. WHEN IT'S TO HIS BENEFIT, OF COURSE, THE SOYBEAN TRANSACTION IS HIS. WHEN IT IS NOT A BENEFIT TO HIM, OF COURSE, IT'S HIS WIFE'S.

WHEN WE INTERVIEWED HIM AFTER THIS INVESTIGATION BEGAN, CONGRESSMAN HANSEN REFERRED TO THE SOYBEAN TRANSACTION AS A, QUOTE, FINANCIAL BATH. THIS IS THE FINANCIAL BATH. THERE WAS A $33,000 SOYBEAN LOSS, A $50,000 LOAN TO COVER IT. THE LOAN HAS NEVER BEEN PAID BACK. AS WE SIT HERE, SEVEN YEARS AFTER THE SOYBEAN LOSS, THIS MAN IS FIFTEEN -- AT LEAST $15,000 TO THE GOOD. THAT'S SOME FINANCIAL BATH. IT SOUNDS TO ME MORE LIKE A BUBBLE BATH.

COURT 4 IS THE DALLAS LOAN, NEVER REPORTED, NEVER INDICATED ON HIS FINANCIAL DISCLOSURE FORM.

COUNT 2 IS THE NELSON BUNKER HUNT LOAN. NEVER INDICATED, NEVER INDICATED ON THE BOX THAT HE IS NOT REPORTING IT BECAUSE HE MEETS THE THREE-PART TEST; NEVER INDICATED "NOT APPLICABLE" BECAUSE HE IS SEPARATE FROM HIS WIFE. SIMPLY NOT REPORTED.

COULD IT BE, LADIES AND GENTLEMEN, THAT HE NEVER WANTED THAT, QUOTE, UNQUOTE, FINANCIAL BATH TO SEE THE LIGHT OF DAY?

SILVER TRANSACTION, NEXT CHART. IN SUMMARY, BACK IN THE COMMODITIES MARKET IN SILVER. 125 CONTRACTS OF SILVER PURCHASED, JANUARY 16TH, 1979, SOLD TWO DAYS LATER FOR A NICE

$87,000 PROFIT. IT'S INTERESTING. JANUARY 16TH, 1979, NELSON BUNKER HUNT CALLS HIS BROKER, LES MING, IN OKLAHOMA CITY. YOU RECALL MING. MING IS THE GUY WHOSE BUSINESS IS 90 TO 100 PERCENT HUNT-DOMINATED BUSINESS. CALLS HIM UP AND FORGETS THE CHARADE -- FORGETS THE CHARADE THAT THIS IS SUPPOSED TO BE CONNIE HANSEN'S TRANSACTION. SAYS TO MING -- AND BECAUSE IT'S IMPORTANT TESTIMONY, I THINK I'LL QUOTE IT. SAYS TO MING -- I ASKED MR. MING ON THE WITNESS STAND, "WHAT EXACTLY DID MR. HUNT SAY?" "JUST CALL GEORGE HANSEN. HE'S A CONGRESSMAN FROM IDAHO. I THINK HE HAS SOME INTEREST IN SILVER. THAT IS ALL. IF HE WANTS THESE, HE CAN HAVE THEM. IF HE DOESN'T WANT THEM, GO AHEAD AND BUY THEM FOR ME AND I'LL TAKE THEM."

"SO WE ARE CLEAR ON YOUR RELATIONSHIP TO MR. HUNT, HAD HE EVER MADE SUCH A REQUEST TO YOU BEFORE?" "YEAH."

"WITH WHOM?" "WITH MEMBERS OF HIS FAMILY."

"WITH ANYONE OUTSIDE OF HIS FAMILY?" "NO, BECAUSE I DON'T TRADE WITH ANYONE OUTSIDE OF HIS FAMILY."

"JUST SO WE ARE CLEAR: NEVER WITH A CONGRESSMAN?" "NEVER."

NELSON BUNKER HUNT FORGOT HIS CHARADE. HE TOLD MING TO CALL GEORGE HANSEN, BECAUSE THAT'S WHO NELSON BUNKER HUNT WANTED TO HELP.

THAT CALL THAT WE HAVE JUST DESCRIBED TOOK PLACE ABOUT 8:55 IN THE MORNING. BY 10:10 IN THE MORNING, MING HAD

BOUGHT 125 CONTRACTS OF SILVER VALUED AT CLOSE TO FOUR MILLION DOLLARS IN FIVE DIFFERENT PURCHASES, WHICH WOULD HAVE MEANT AT LEAST TEN CALLS BETWEEN HIM AND NEW YORK, THE FLOOR. THERE ARE OTHER CALLS ON HIS TOLLS. THERE ARE OTHER CALLS TO NELSON BUNKER HUNT. THE FIRST CALL ON LES MING'S TOLL RECORDS TO THE HANSENS IS AT 10:49 A.M., AFTER ALL THE SILVER HAD BEEN PURCHASED. THE FIRST TIME HE TALKS TO THE HANSENS, PURSUANT TO HIS TOLL RECORDS, FOR MORE THAN A MINUTE IS THE AFTERNOON, AFTER THE MARKET IS CLOSED, AND AFTER THE MARKET HAS GONE UP.

LADIES AND GENTLEMEN, IT IS SIMPLY AN INSTANT REPLAY OF THE SOYBEAN TRANSACTION. HUNT CALLS THE SHOT -- CALLED EVERY SHOT IN THIS TRANSACTION. THE BROKER SPOKE TO THE HANSENS ONLY AFTER THE CONTRACTS HAD BEEN PURCHASED, ONLY AFTER THE MARKET HAD GONE UP. THE CONTRACTS WERE CHANGED FROM NELSON BUNKER HUNT'S ACCOUNT TO CONNIE HANSEN'S ACCOUNT ONLY AFTER THE MARKET HAD GONE UP. MR. MING WAFFLES ON THAT. THAT'S WHY WE PUT ON STUART GOLDBERG AT THE END OF ONE DAY, THE LITTLE FELLOW FROM CHICAGO. HE SAID, "YEAH. IN THE AFTERNOON, LES MING CALLED ME UP AND TOLD ME TO CHANGE THOSE CONTRACTS." HE HAD PURCHASED ALL 125 BY 10:10 IN THE MORNING. THESE WERE HUNT-GUARANTEED CONTRACTS THAT WERE PUT IN CONNIE HANSEN'S NAME ONLY AFTER THE MARKET WENT UP.

NOW, OF COURSE, MING'S STORY THAT HE CONTACTED CONNIE HANSEN AND HAD A NICE CONVERSATION AND IN TEN MINUTES EXPLAINED

ALL THE RISKS OF THE MARKET IS KIND OF SILLY. IT'S KIND OF SILLY, LADIES AND GENTLEMEN. HE SAYS FROM THAT CONVERSATION IT WAS HIS IMPRESSION THAT SHE WAS WORTH OVER A QUARTER OF A MILLION DOLLARS. AND CONNIE HANSEN SAID FROM THAT CONVERSATION SHE HAD COMPLETE FAITH IN DR. MING. COMPLETE FAITH WITH A TOTAL STRANGER HALF WAY ACROSS THE UNITED STATES TO GO OUT IN THE MARKET AND PUT HER IN THE HOLE FOR A POSSIBLE $3.8 MILLION WORTH OF SILVER? YOU ESTABLISH THAT KIND OF CONFIDENCE IN TEN MINUTES? OF COURSE NOT. THE ANSWER IS OBVIOUS. THIS IS ANOTHER ATTEMPT BY NELSON BUNKER HUNT TO PUT MONEY IN GEORGE HANSEN'S POCKET BY USING HIS WIFE AS A FRONT. THIS ONE, OF COURSE, WAS A LITTLE BIT MORE SUCCESSFUL THAN THE SOYBEANS.

THE REST OF THE CHART DEALS WITH THE MARGIN MONEY. THE HANSENS HAD TO COME UP WITH $125,000 FOR A SHORT PERIOD OF TIME BEFORE THE $87,000 WORTH OF PROFIT COULD BE FREED UP. GEORGE HANSEN, WHEN WE ASKED HIM ABOUT IT, SAID HE WAS SIMPLY ACTING AS A BOY SCOUT -- BOY SCOUT, TO HELP FREE UP HIS WIFE'S PROFIT. THE BOY SCOUT INSTRUCTED HIS BANKER IN IDAHO TO WRITE A $125,000 CHECK ON AN ACCOUNT THAT HAD $300. I'M NOT SURE THAT'S HOW BOY SCOUTS OPERATE.

THE REAL QUESTION, THOUGH, LADIES AND GENTLEMEN, IS WHAT HAPPENED TO THE $87,000. IT'S ONE OF THE MOST ILLUSTRATIVE QUESTIONS OF THIS CASE. WAS IT USED TO PAY BACK THE HUNT LOAN, THE $50,000 HUNT LOAN? NO. WHY WOULD THEY

USE MONEY GENERATED BY BUNKER HUNT TO PAY BACK BUNKER HUNT FOR THE PRIOR LOSS? WHY WOULD THEY DO THAT?

WE ASKED CONGRESSMAN HANSEN DURING HIS INTERVIEW AT HIS OFFICE: WHAT HAPPENED TO THE $87,000? AND I QUOTE HIS ANSWER: "I SURE COULDN'T TELL YOU, BUT I AM SURE THAT SHE HAD PLENTY OF DEBTS."

WAS HE BEING TRUTHFUL AT THAT TIME? HE KNEW THAT WE HAD COME TO HIS OFFICE TO TALK TO HIM ABOUT THE SILVER, AND HE COULD HAVE REASONABLY ANTICIPATED THAT ONE OF OUR QUESTIONS WOULD HAVE BEEN "WHAT HAPPENED TO THE PROFIT." AND HE SAID, "I SURE COULDN'T TELL YOU, BUT SHE SURE HAD PLENTY OF DEBTS." WAS THAT TRUTHFUL?

THE EVIDENCE YOU HEARD IS THAT THAT $87,000 WENT INTO THE FIRST SECURITY BANK OF POCATELLO, IDAHO. WITHIN ONE OR TWO DAYS, GEORGE HANSEN WROTE FOUR CASHIER'S CHECKS, FOR $43,000, $30,000, $30,000, AND $28,000, TO HIMSELF, AND DEPOSITED THOSE CHECKS IN A BANK 235 MILES AWAY IN IDAHO, IDAHO STATE BANK OF GLENNS FERRY. WITHIN ONE WEEK OF THOSE DEPOSITS, HE HAD WRITTEN TEN CHECKS FOR BETWEEN $9,000 AND $10,000 TO HIMSELF ON THAT ACCOUNT.

IS THAT HOW MRS. HANSEN PAYS THE FAMILY DEBTS? DID CONGRESSMAN HANSEN HAVE KNOWLEDGE OF THESE SILVER TRANSACTIONS? I THINK THE ANSWER IS OBVIOUS. DID HE PARTICIPATE IN IT? OF COURSE. HE WAS THE BOY SCOUT. AND DID HE BENEFIT IN THOSE TRANSACTIONS? HE BENEFITED TO THE TUNE OF $87,000. AND DID

HE REPORT THE TRANSACTIONS? NO, HE DIDN'T. AND DID HE INDICATE ON HIS FORM THAT HE WAS EXEMPTED BECAUSE OF HIS WIFE'S INDEPENDENT STATUS? NO, HE DIDN'T. AND DID HE EVER SAY, "NOT APPLICABLE BECAUSE I'M SEPARATE FROM MY WIFE"? NO, HE DIDN'T.

TURN TO THE VIRGINIA LOANS. THIS IS THE FIRST COUNT IN THE INDICTMENT, MOVING BACKWARDS. IN 1981, IN JULY, AUGUST AND NOVEMBER, HE RECEIVES $25,000, $60,000, AND $50,000 FROM SOME BOYS IN VIRGINIA NAMED MCAFEE, ROGERS AND MEADE. THESE WERE UNSECURED LOANS, SECURED ONLY BY HIS SIGNATURE, FROM FELLOWS 350 MILES FROM WASHINGTON AND MUCH, MUCH FURTHER FROM HIS CONSTITUENCY IN IDAHO. OF COURSE, THE LOANS IN THE BEGINNING ARE FROM A MAN NAMED MCAFEE, WHO WAS HIS FRIEND AND SHARED AN INTEREST IN FREEING THE HOSTAGES IN IRAN. NO DOUBT ABOUT THAT. BUT IT IS DISINGENUOUS TO SUGGEST THAT MR. MCAFEE WAS MAKING THOSE LOANS PERSONALLY TO CONGRESSMAN HANSEN BECAUSE OF HIS FRIENDSHIP FOR CONGRESSMAN HANSEN, BECAUSE MCAFEE DIDN'T HOLD ONTO THAT NOTE AFTER GIVING A CHECK OF $25,000 AND $60,000 FOR VERY LONG. WITHIN DAYS, HE'S DOWN TO HIS FRIENDLY BANKER, JOHN MEADE, GETTING A LOAN OF LIKE AMOUNT AND GIVING THE BANK CONGRESSMAN HANSEN'S NOTES. FOR ALL INTENTS AND PURPOSES, THE FIRST TWO LOANS WERE IN MCAFEE'S NAME; THE MONEY CAME FROM THE MINERS AND MERCHANTS BANK OF VIRGINIA, AND THAT'S THE BANK OF OUR FRIEND JOHN MEADE, BANK SWINDLER, LIAR, AND CON MAN.

TO UNDERSTAND THESE LOANS, YOU HAVE TO UNDERSTAND JOHN MEADE'S CON AT THIS TIME. HE WAS INTERESTED IN A CAR THAT WAS ALLEGEDLY BEING DEVELOPED IN AUSTRALIA THAT RUNS ON WATER. HE WANTED TO BE ABLE TO SELL THE RIGHTS TO THAT CAR TO INVESTORS IN THE UNITED STATES. AND HE OFFERED TO PAY SCIENTISTS TO GO OVER TO AUSTRALIA TO TAKE A LOOK AT THAT CAR. AND, IN FACT, HE OFFERED THE SCIENTISTS A PIECE OF THE ACTION IF THEY WOULD GO OVER THERE AND WORK WITH HIM. HE PERSISTED IN HIS PROJECT, EVEN AFTER HE WAS TOLD THAT THE PROJECT WAS A HOAX; THAT A PERSON WOULD DIE IN ONE SECOND IF THERE WAS EVER HYDROGEN FUSION ABOARD A CAR. YOU MAY INFER FROM THAT FACT, LADIES AND GENTLEMEN, THAT WHAT HE WANTED TO DO WAS TELL WOULD-BE INVESTORS THAT HE HAD GOTTEN THE ARMY INTERESTED IN THIS PROJECT. BUT THE ARMY WASN'T INTERESTED, NOT INTERESTED AT ALL. THEY KNOW A HOAX WHEN THEY SEE ONE.

AND THAT'S WHERE GEORGE HANSEN CAME IN. GEORGE HANSEN SET UP THE MEET AT THE PENTAGON WITH THE SECRETARY OF THE ARMY ON JULY 23RD. AND WHAT A COINCIDENCE -- WHAT A COINCIDENCE: THE SAME DAY THE $25,000 IS CASHED.

AUGUST 14TH, THE DAY THE NOTE IS SIGNED FROM GEORGE HANSEN TO MCAFEE AND ROGERS, MCAFEE AND MEADE ARE ON THEIR WAY TO AUSTRALIA TO LOOK INTO THE WATER CAR, AFTER THE PENTAGON HAD TOLD THEM THAT THE THING HAD NO CHANCE OF WORKING. AND ISN'T IT INTERESTING THAT CARL MCAFEE, THE MAKER OF THE NOTE, THAT LAWYER FROM SOUTHWESTERN VIRGINIA, HAS NO RECOLLECTION OF MAKING THAT $60,000 LOAN. IS THAT CREDIBLE? IS THAT NOT A MAN TRYING TO HIDE SOMETHING? A MAN MAKES A $60,000 NOTE TO A UNITED STATES CONGRESSMAN AND HE FORGETS ALL ABOUT IT?

THEN CAME A VERY INTERESTING POINT IN THE CASE. THE LOANS -- TWO LOANS WERE MADE: $25,000 JULY 23RD; $60,000 AUGUST 14TH. INTEREST COMES DUE ON SEPTEMBER 30TH. THERE'S A GOVERNMENT EXHIBIT, LADIES AND GENTLEMEN, OF AN INTEREST PAYMENT. AND HOPEFULLY, YOU WILL TAKE A CAREFUL LOOK AT IT. GOVERNMENT EXHIBIT 51. IT'S AN INTEREST PAYMENT SIGNED BY JOHN MEADE. IT SAYS ON THE NOTE IT'S THE INTEREST ON THE HANSEN LOAN. JOHN MEADE, THE BANKER, WAS PAYING CONGRESSMAN HANSEN'S INTEREST. IF YOU HAVE ANY QUESTION ABOUT THIS -- THE NATURE OF THESE VIRGINIA LOANS, ASK YOURSELF, WHEN WAS THE LAST TIME YOU HEARD OF SOMEONE GETTING A LOAN FROM A BANK AND THEN THE BANKER PAYS HIS INTEREST? THAT'S WHAT WAS HAPPENING HERE.

OF COURSE, OCTOBER 15TH CONGRESSMAN HANSEN IS ON THE PHONE FORCEFULLY TELLING NORWOOD, THE BLACK SCIENTIST FROM THE PENTAGON, "SEND YOUR PEOPLE TO AUSTRALIA." OF COURSE, NOVEMBER 23RD HE'S BACK ON THE PHONE WITH AMARETTA HOEVER FROM THE PENTAGON ON THE WATER CAR. NOVEMBER 23RD, THE DAY HE GETS BACK FROM JOHN MEADE'S HOUSE WITH $50,000 OF MEADE'S MONEY.

WHOSE LOANS WERE THESE? WHOSE NAME WAS ON THE

PAPER? GEORGE HANSEN. WHO PAID IT BACK? WELL, AN INTERESTING THING ABOUT THAT. APRIL '82 ROLLS ALONG. NO INTEREST IS PAID BETWEEN JOHN MEADE PAYING GEORGE HANSEN'S INTEREST AND APRIL ROLLS ALONG, AND THE EXAMINERS COME TO THE BANK, AND JOHN MEADE IS IN BIG TROUBLE, AND HE KNOWS IT. AND HE CALLS GEORGE HANSEN AND SAYS, "WE'VE GOT TO HAVE SOME INTEREST." THAT IS THE FIRST TIME GEORGE HANSEN PAYS INTEREST ON THIS NOTE.

OF COURSE, HE EVENTUALLY PAYS MCAFEE HIS $60,000 IN AUGUST, 1982, AFTER THE FBI CONTACTS MCAFEE. OF COURSE, HE PAYS THE $25,000 BACK AFTER THE INDICTMENT IN THIS CASE AND EVERYTHING IS PUBLIC. OF COURSE, HE PAYS THE $50,000 BACK TO MEADE THREE YEARS LATER, TWO YEARS LATE, RIGHT ON THE EVE OF THIS TRIAL.

HIS ACCOUNTS ARE STRAIGHT WITH THE VIRGINIA BOYS, BUT ISN'T THE TIMING INTERESTING? BUT HE PAYS IT BACK. HE TOOK THE LOANS, HE SIGNED THE NOTES, HE PAYS THE MONEY BACK. HE DECLARES THE INTEREST ON HIS TAX RETURN. AND WHO SPENDS THE MONEY? WHO SPENDS THE MONEY? THERE'S A STIPULATION, STIPULATION NO. 11. TAKE A LOOK AT IT. "IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES" -- AND NO ONE FORCES A DEFENDANT TO STIPULATE. THIS IS WHAT HE AGREES TO. HE ADMITS THAT WITHIN ONE WEEK OF THE RECEIPT OF ALL THREE CHECKS, HE WROTE CHECKS UNRELATED TO THE ASSOCIATION OF CONCERNED TAXPAYERS AND THE MONEY WAS GONE. HE SPENT THE MONEY; THEY WERE HIS NOTES; HE PERSONALLY PAID IT BACK. BUT, OF COURSE, THEY WERE NOT REPORTED. AND YOU MAY INFER FROM THAT THAT HE CERTAINLY DIDN'T WANT PEOPLE TO KNOW THAT HE WAS RECEIVING MONEY FROM THESE VIRGINIA BOYS AT THE SAME TIME HE WAS LOBBYING FOR THEIR WATER CAR.

NOW, WHAT DOES THE DEFENSE SAY TO ALL OF THIS? ESSENTIALLY, THE DEFENSE IS, AS TO THE HUNT TRANSACTIONS: THERE WAS A PROPERTY SEPARATION AGREEMENT IN 1977 THAT ALLOWED HIM NOT TO REPORT. AS TO THE VIRGINIA LOANS: THIS MONEY WAS LENT TO THE ASSOCIATION OF CONCERNED TAXPAYERS, NOT TO ME.

LET'S TAKE A LOOK AT THE PROPERTY SEPARATION AGREEMENT FIRST. IT'S 1977. HANSEN CLAIMS THAT HE HAS DEBTS CAUSED BY A POLITICAL SPAT WITH WAYNE HAYS. HE WANTS TO SEND OUT A MASS MAILING ASKING PEOPLE TO GIVE HIM MONEY TO PAY OFF THESE DEBTS. THE FEDERAL ELECTION COMMISSION SAYS, "IT'S NOT OUR BUSINESS SO LONG AS THE MONEY IS NOT USED FOR YOUR CAMPAIGN." THEN HE ASKS THE HOUSE ETHICS COMMITTEE. IN THE COURSE OF HIS RELATIONSHIP WITH THE HOUSE ETHICS COMMITTEE, HE TELLS THE COMMITTEE IT'S A MATTER OF BASIC FINANCIAL SURVIVAL. HIS LAWYER REFERRED TO HIM AT THAT TIME AS A MAN OF MODEST MEANS.

BEFORE WE GET TO THE ETHICS COMMITTEE RESPONSE, LET'S TAKE A LOOK AT HIS FINANCIAL STATEMENT OF 1977 SUBMITTED TO A BANK TO GET A LOAN AND SEE IF HE WAS A MAN OF MODEST MEANS AND WHETHER OR NOT THIS WAS A QUESTION OF BASIC FINANCIAL

SURVIVAL. WELL, HE LISTS FOUR AUTOMOBILES; HE LISTS CASH ON HAND OF OVER $30,000; HE LISTS REAL ESTATE VALUED AT $391,000. HE LISTS DEBTS OF $275,000. HE LISTS A NET WORTH OF ABOUT A QUARTER OF A MILLION DOLLARS. HE LISTS AN INCOME OF $72,000. HIS REAL ESTATE ASSETS INCLUDE A HOME IN IDAHO, PROPERTY IN ARKANSAS, A HOME IN VIRGINIA, PROPERTY IN IDAHO, AND A BUSINESS IN IDAHO. HE LISTS LIFE INSURANCE IN HIS WIFE'S NAME OF $290,000.

IS THIS A MAN OF MODEST MEANS? IS THIS A MAN FACING BASIC FINANCIAL SURVIVAL IN 1977? WELL, YOU ALL KNOW AT THIS POINT THAT THE HOUSE OF REPRESENTATIVES TURNED HIM DOWN COLD. NEITHER A MEMBER NOR HIS SPOUSE CAN DIRECTLY SOLICIT FUNDS FOR PERSONAL USE BY A FUND-RAISING TECHNIQUE SUCH AS A MASS MAILING. OF COURSE, ESSENTIALLY, WHAT THEY SAID: YOU CAN'T SOLICIT MONEY. YOU'RE A CONGRESSMAN. YOUR WIFE CAN'T SOLICIT MONEY ON YOUR BEHALF. YOU CANNOT USE A MASS MAILING.

OF COURSE, THE HANSENS WEREN'T HAPPY WITH THAT RESPONSE. THEY WANTED TO SEND OUT THEIR FUND-RAISER, AND THEY CAME UP WITH THEIR ANSWER: THE PROPERTY SEPARATION AGREEMENT. MRS. HANSEN COMMUNICATED WITH THE HOUSE ETHICS COMMITTEE SOON AFTER THEIR RULING, JUNE '77. SHE SAYS MANY THINGS, BUT INCLUDED IS THE FOLLOWING: "NOW, LET ME INFORM YOU THAT I DON'T INTEND TO STAND BY AND LET A COMMITTEE OF CONGRESS OR ANYONE ELSE DEPRIVE ME OF THE BASIC RIGHTS OF A CITIZEN OF THIS NATION TO PAY MY BILLS AND PROTECT MY HOME."

NOBODY WAS PREVENTING MRS. HANSEN FROM PAYING HER BILLS. NO ONE WAS PREVENTING HER FROM GOING OUT AND GETTING A JOB. WHAT THEY WERE TELLING HER THAT SHE COULDN'T DO WAS ONLY THIS: YOU CAN'T SOLICIT MONEY FROM STRANGERS TO PAY OFF YOUR DEBT.

MRS. HANSEN SAYS, "I DO WHAT I MUST. LET ME ADVISE YOU THAT AS A MATTER OF PERSONAL AND FAMILY SURVIVAL, I PLAN TO RAISE FUNDS AT AN EARLY DATE TO PAY MY HALF OF THE DEBTS IN A PROPER AND LEGAL FASHION. YOUR ARBITRARY RULES MAY EXTEND TO MY HUSBAND AS A MEMBER OF CONGRESS, BUT I DO NOT BELONG TO THAT BODY. I AM A FREE AGENT, WITH RIGHTS AND RESPONSIBILITIES OF MY OWN."

AND, IN FACT, SHE DID START FUND-RAISING. SHE SENT OUT A LETTER THAT ASKED FOR MONEY, AND CONCLUDED, QUOTE: "I PROMISE THAT I WILL DEPOSIT YOUR DONATION PROMPTLY IN A SPECIAL BANK ACCOUNT THAT I HAVE SET UP TO PAY OFF THESE DEBTS."

A GOVERNMENT EXHIBIT, A CHECK FOR $4700 -- I DON'T HAVE IT RIGHT HERE. IT MUST BE IN THE EXHIBITS. IT'S A CHECK DATED JULY 11TH -- IT'S A DEPOSIT FROM THE CONNIE HANSEN SPECIAL FUND, THE FUND THAT WAS RECEIVING THESE CONTRIBUTIONS -- IT WAS A DEPOSIT RIGHT INTO THEIR JOINT ACCOUNT IN ARLINGTON. WITHIN TWO MONTHS AFTER CONGRESS TOLD HER THAT SHE COULDN'T RAISE FUNDS WITH A MASS MAILING FOR HER HUSBAND, SHE WAS TAKING FUNDS THAT SHE HAD RECEIVED FROM A MASS MAILING

AND PUTTING THEM DIRECTLY INTO A JOINT ACCOUNT THAT SHE AND HER HUSBAND SHARED.

I HATE TO GET DOWN ON MRS. HANSEN. I AM SURE THAT SHE IS A WONDERFUL MOTHER, A NICE LADY. BUT, LADIES AND GENTLEMEN, YOU MUST BE SOMEWHAT SKEPTICAL WHEN YOU HEAR ON THE ONE HAND THE WOMAN IS THE ADMINISTRATIVE ASSISTANT FOR THE ENTIRE OFFICE, SHE RUNS THE OFFICE, AND ON THE OTHER HAND, HAS NO IDEA WHETHER OR NOT SHE HAS TWO, FIVE, OR TEN BANK ACCOUNTS.

THE PROPERTY SEPARATION AGREEMENT IS THE LINCHPIN TO THE ENTIRE DEFENSE OF THE NELSON BUNKER HUNT LOANS. I AM REMINDED OF A TIME I WAS AT MY GRANDMOTHER'S HOUSE. I SAW A BOWL OF FRUIT ON THE TABLE. I REACHED IN TO GRAB A LUSCIOUS-LOOKING APPLE. TO MY SHOCK, IT TURNED OUT TO BE PLASTIC. IT WAS NOT AN APPLE AT ALL. IT APPEARED TO BE AN APPLE; IT LOOKED LIKE AN APPLE. BUT WHEN YOU TOUCHED IT, EXAMINED IT, TOOK A CAREFUL LOOK AT IT, IT WAS A PHONY.

AT FIRST GLANCE AT THIS DOCUMENT, IT APPEARS TO BE A VERY, VERY SOLEMN, LEGAL AGREEMENT. IT'S GOT NINE PAGES, IT'S TYPED, IT'S NOTARIZED, IT'S DATED, IT'S SIGNED. WHEN YOU TOUCH IT, WHEN YOU EXAMINE IT, WHEN YOU LOOK AT IT, YOU REALIZE IT'S A PHONY.

PARAGRAPH 3: "FROM THE COMMUNITY PROPERTY OF THESE PARTIES, THE WIFE SHALL HAVE AS HER SOLE AND SEPARATE PROPERTY, FREE AND CLEAR OF ANY RIGHT, TITLE AND INTEREST OF THE HUSBAND, THE FOLLOWING ITEMS." AND IT LISTS REAL ESTATE, IT LISTS CARS. THOSE TITLES WERE NEVER CHANGED, LADIES AND GENTLEMEN. GEORGE HANSEN REGULARLY PUT THIS PROPERTY ON HIS FINANCIAL STATEMENTS THAT HE WAS SUBMITTING TO BANKS FOR LOANS. THERE IS NOTHING SEPARATE AND SOLE ABOUT THIS PROPERTY. AND THERE WAS NOTHING SEPARATE AND SOLE ABOUT THIS PROPERTY AFTER THIS DOCUMENT WAS WRITTEN.

NO. 4 -- PARAGRAPH 4, DEBTS: "FROM THE COMMUNITY DEBTS, THE HUSBAND SHALL ASSUME AS HIS SOLE AND SEPARATE DEBTS, FROM WHICH THE WIFE SHALL BE FREE OF ANY LIABILITY OR OBLIGATION" -- AND THEY LIST THE MORTGAGES AND THE BANK LOANS. SHE WAS NEVER FREE FROM ANY OF THESE LIABILITIES. THE BANK COULD HAVE GONE AFTER BOTH GEORGE AND CONNIE HANSEN AFTER THIS AGREEMENT WAS SIGNED, JUST THE WAY THEY COULD HAVE BEFOREHAND. THE LIABILITIES WERE NEVER TRANSFERRED FROM HER NAME TO HIS NAME. THIS IS LIKE THAT PLASTIC APPLE, LADIES AND GENTLEMEN.

PARAGRAPH 13 OF THIS DOCUMENT: "EACH OF THE PARTIES HERETO AGREES TO EXECUTE, SIGN AND DELIVER OVER TO THE OTHER PARTY ANY AND ALL DOCUMENTS, CERTIFICATES, TITLES AND DEEDS AND OTHER INSTRUMENTS AS MAY BE NECESSARY TO CONVEY AND TRANSFER THE HEREINABOVE LISTED REAL AND PERSONAL PROPERTY." NOTHING WAS TRANSFERRED; NOTHING WAS EXCHANGED. THE TITLES REMAINED EXACTLY AS THEY WERE BEFORE THIS DOCUMENT WAS WRITTEN.

PARAGRAPH 14: "IT IS FURTHER AGREED THAT ANY AND

ALL PROPERTY ACQUIRED FROM AND AFTER THE EFFECTIVE DATE OF THIS AGREEMENT SHALL BE THE SOLE AND SEPARATE PROPERTY OF THE ONE SO ACQUIRING." THEY BOUGHT THREE HOUSES AFTER THIS DOCUMENT WAS SIGNED. IT WASN'T THE SOLE AND SEPARATE PROPERTY OF ANYBODY. IT WAS BOUGHT JOINTLY.

PARAGRAPH 17: "EACH AGREES THAT HE OR SHE WILL NOT INCUR ANY LIABILITY ON BEHALF OF THE OTHER." WE INTRODUCED EVIDENCE OF AT LEAST EIGHT JOINT MORTGAGES THAT WERE TAKEN OUT ON THE PROPERTY THEY BOUGHT. LIABILITY OF ONE? OF COURSE NOT. THESE ARE JOINT LIABILITIES.

AND, OF COURSE, THERE'S PARAGRAPH 5. I SUBMIT THE PURPOSE, AND THE ONLY PURPOSE, OF THIS DOCUMENT WAS TO GET AROUND THE HOUSE ETHICS COMMITTEE RULING SO THAT CONNIE HANSEN COULD GO OUT AND SOLICIT FUNDS. IF YOU NEED PROOF OF THAT, LADIES AND GENTLEMEN, TAKE A LOOK WHEN YOU ARE BACK IN THE JURY ROOM AT PARAGRAPH NO. 5. THAT PURPORTS TO LIST THE LOANS THAT WERE TAKEN BY CONNIE HANSEN. PARAGRAPH 4, ALL THE LOANS THAT GEORGE HANSEN TOOK. AND NO DOUBT THOSE LOANS THAT GEORGE HANSEN TOOK ARE REAL. THEY ARE LISTED. THEY ARE LISTED WITH THE EXACT FIGURES, THE BANKS, THE MORTGAGE COMPANIES. THOSE ARE REAL, AND THERE ARE SUBSTANTIAL DEBTS THERE. BUT WHAT DOES CONNIE HANSEN TAKE? SHE TAKES THE $50,000 LOAN FROM THE DALLAS NATIONAL BANK, THE LOAN, OF COURSE, THAT CONGRESSMAN HANSEN DEALT WITH MR. HENRY ABOUT AND THE LOAN THAT CONGRESSMAN HANSEN SAID THE CHECK WOULD BE

IN THE MAIL, AND ALSO PERSONAL LOANS IN THE SUM OF $372,750. WHAT DEBTS? WHAT DEBTS MAKE UP THE $372,000? WELL, I ASKED MRS. HANSEN, AND SHE SAID JUST -- OR SHE TESTIFIED ON DIRECT EXAMINATION, JUST HONEST, COMMON, EVERYDAY PEOPLE LOANED $372,000. I WANTED IT A LITTLE MORE SPECIFIC; SHE COULDN'T TELL ME RIGHT NOW.

I ASKED MR. RUNFT, THE AUTHOR OF THIS DOCUMENT. HE HAD NO PRESENT RECOLLECTION OF THE AMOUNTS OR THE PEOPLE.

MR. MCKENNA, THEIR LAWYER, THEIR COMRADE, THEIR WORKMATE FOR SIX YEARS, HE HAD NO SPECIFICS ABOUT THESE LOANS.

THEY KNEW, ALL THREE WITNESSES, THAT THE VALIDITY OF THIS DOCUMENT WAS A CENTRAL ISSUE, AND YET, THERE IS NOT ONE SHRED OF CREDIBLE EVIDENCE THAT THAT DEBT ACTUALLY EXISTED. IN FACT, THERE IS POWERFUL EVIDENCE TO THE CONTRARY.

CONNIE HANSEN SAID THAT HER FUND-RAISER RAISED ABOUT $100,000. IF IN FACT THAT MONEY WAS APPLIED TO THE $372,000, THAT WOULD REDUCE THE DEBT TO LET'S SAY A QUARTER OF A MILLION DOLLARS -- WE'LL BE GENEROUS. WAS ANY INTEREST PAID ON THAT DEBT? LADIES AND GENTLEMEN, INTRODUCED INTO EVIDENCE WAS A PORTION OF THE TAX RETURN, THE TAX RETURN WHERE THE INTEREST IS LISTED FOR 1979. YOU WOULD THINK, IF YOU HAD A DEBT OF $250,000, THAT YOU WOULD PAY INTEREST ON IT. AND YOU WOULD THINK IF YOU PAID INTEREST ON IT, YOU WOULD INCLUDE IT IN YOUR TAX RETURN AS A DEDUCTION. IN 1979, THE HANSENS DID DEDUCT THEIR INTEREST. HOME MORTGAGE, OVER

$16,000. CREDIT CARDS, 724. BANKS, OVER $10,000. AND OTHERS, $818. $818 WORTH OF INTEREST FOR A DEBT OF A QUARTER OF A MILLION DOLLARS? TEN PERCENT INTEREST, THAT WOULD BE $25,000; FIVE PERCENT INTEREST, 12.5 THOUSAND DOLLARS. ONE PERCENT -- THEY WERE PAYING LESS THAN ONE PERCENT INTEREST ON THIS QUARTER OF A MILLION DOLLAR DEBT?

HOW MANY PEOPLE DO YOU KNOW THAT GET A QUARTER OF A MILLION DOLLARS WORTH OF DEBTS AND PAY NO INTEREST ON IT? CONTRARY TO COMMON EXPERIENCE.

IN ADDITION, CONGRESSMAN HANSEN TOLD NELSON BUNKER HUNT THREE TO FOUR HUNDRED THOUSAND DOLLARS WORTH OF LEGAL BILLS. THE LEGAL BILLS ARE LISTED IN THIS PROPERTY SEPARATION AGREEMENT: $4,999 -- NOT THREE TO FOUR HUNDRED THOUSAND DOLLARS.

WHAT CAN WE SAY ABOUT THIS DOCUMENT? WE CAN SAY THAT ITS SOLE PURPOSE WAS TO EVADE THE HOUSE ETHICS COMMITTEE. WE CAN SAY IT'S A DOCUMENT THAT CONTAINS FALSE INFORMATION. WE CAN SAY IT'S A DOCUMENT THAT THE HANSENS DID NOT OBSERVE FOR ONE SECOND. AND WHAT IS THE PHONIEST PART OF THE DOCUMENT? THE DESCRIPTION OF JOHN RUNFT: "THE ECONOMIC LIFE OF THESE PEOPLE HAS BEEN SEPARATED," HE SOLEMNLY SAID. WHO IS ~~HE K~~IDDING? WHAT'S BEEN SEPARATED? "MRS. HANSEN PURSUED HER OWN SEPARATE LIFE AND PAID HER OWN SEPARATE DEBTS." WHO IS HE KIDDING?

MR. RUNFT IS THE SAME LAWYER THAT PREPARED THAT

QUITCLAIM DEED OF THE ARLINGTON HOUSE WHERE THEY USED TO LIVE, TRANSFERRING ALL RIGHT AND TITLE AND INTEREST OVER TO MRS. HANSEN. THAT'S THAT ARLINGTON HOUSE THAT THEY USED TO LIVE IN THAT WAS SOLD IN 1979. IT WAS SOLD WITH GEORGE HANSEN ON THE TITLE. GEORGE HANSEN PUT THAT HOUSE FROM THAT QUITCLAIM DEED ON HIS FINANCIAL STATEMENT THAT HE USED TO GET LOANS. AND IN THE TAX RETURN THAT THEY FILED, IT ASKED AFTER A SALE OF PROPERTY, IS IT THE HUSBAND'S PROPERTY, IS IT THE WIFE'S PROPERTY, OR IS IT BOTH YOUR PROPERTY? AND, OF COURSE, THE HANSENS PUT "BOTH." EITHER THE QUITCLAIM DEED IS A FRAUD OR THEY WEREN'T TELLING THE TRUTH ON THEIR TAX RETURN. I THINK YOU KNOW THE ANSWER TO THAT QUESTION.

THE PROPERTY SEPARATION AGREEMENT WAS SIGNED IN SEPTEMBER '77. TWO YEARS LATER, APPROXIMATELY TWO YEARS LATER, CONGRESSMAN HANSEN HAD TO FILL OUT HIS FIRST FINANCIAL DISCLOSURE FORM PURSUANT TO THE ACT. HE CALLS MR. RUNFT, THE AUTHOR OF THE PROPERTY SEPARATION AGREEMENT AND THE QUITCLAIM DEED. WHAT DOES MR. RUNFT SAY GEORGE HANSEN WANTED?

"CONGRESSMAN HANSEN ASKED ME -- ACTUALLY, BOTH MR. AND MRS. HANSEN ASKED ME, UNDER THE NEW ACT, WAS THERE A REASONABLE INTERPRETATION AVAILABLE UNDER THE ACT THAT WOULD ALLOW CONGRESSMAN HANSEN TO CONTINUE NOT TO REPORT MRS. HANSEN'S INCOME?" YEAH. THE ETHICS IN GOVERNMENT ACT CAME ALONG, AND NO MATTER WHAT ITS OBVIOUS INTENT, CONGRESSMAN HANSEN DIDN'T WANT TO REPORT THE TRANSACTIONS THAT HE HAD

BURIED IN HIS WIFE'S NAME. AND HE ASKED HIS FAVORITE LAWYER TO FIND HIM A WAY OUT. AND HIS LAWYER, OF COURSE, CAME UP WITH THE PROPERTY SEPARATION AGREEMENT. THE SEPARATION AGREEMENT OF CONVENIENCE. IT'S SEPARATE WHEN THEY WANT TO SEND OUT A FUND-RAISING LETTER; IT'S SEPARATE WHEN THEY WANT TO HIDE THE HUNT TRANSACTION. IT'S JOINT, OF COURSE, WHEN THEY FILE THEIR TAX RETURN, WHEN IT'S TO THEIR ADVANTAGE. THE PROPERTY IS JOINT WHEN THEY SUBMIT FINANCIAL STATEMENTS TO THE BANK TO GET LOANS.

OF COURSE, MR. RUNFT SAID THE PART IN THE ACT ABOUT WHEN THE MARRIAGE IS DISSOLVED, THEY ARE TALKING ABOUT ECONOMIC SEPARATION THERE. I SUBMIT TO YOU, LADIES AND GENTLEMEN, MR. RUNFT'S EXPLANATION ABOUT THE ACT IS CONTRARY TO COMMON SENSE. A LAWYER IS NOT PERMITTED TO READ A SENTENCE AND IF THE SENTENCE SAYS THE SKY IS BLUE, HE CAN'T TURN AROUND TO HIS CLIENT AND SAY THE SKY IS WHITE. HE'S TALKING ABOUT THE STATEMENT, "NO REPORT SHALL BE REQUIRED WITH RESPECT TO A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING INDIVIDUAL WITH THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR A PERMANENT SEPARATION."

YOU CAN'T TWIST LANGUAGE TO SUIT YOUR FANCY, TO SUIT YOUR PURPOSE. THAT'S NOT THE WAY AN HONEST AND AN ETHICAL LAWYER OPERATES. AND, OF COURSE, CONGRESSMAN HANSEN DIDN'T TELL ALL THE FACTS TO HIS LAWYER, MR. RUNFT. RUNFT, HIMSELF, TESTIFIED THAT HE HAD NO IDEA ABOUT THE HANSEN'S FINANCIAL

AFFAIRS AFTER 1977. HE KNEW NOTHING ABOUT THE NELSON BUNKER HUNT SOLICITATION. HE DIDN'T KNOW THAT GEORGE HANSEN USED THE DALLAS LOAN. HE DIDN'T KNOW WHAT HAPPENED TO THE $87,000. YOU CAN ONLY RELY ON LEGAL ADVICE FROM YOUR COUNSEL IF YOU OWN UP TO ALL THE FACTS OF A TRANSACTION. HANSEN NEVER TOLD HIM ABOUT THESE TRANSACTIONS THAT HE WANTED TO HIDE BY MAKING USE OF THE PROPERTY SEPARATION AGREEMENT. HE SIMPLY USED RUNFT AS A COVER, IF ANYONE EVER CALLED HIM UP ON THE HUNT TRANSACTIONS.

HE ASKED FOR LEGAL ADVICE FROM RUNFT TO EVADE THE ETHICS IN GOVERNMENT ACT. RUNFT READ THE LAW TO SUIT HIS CLIENT'S PURPOSE WITHOUT READING THE LAW FAIRLY. GEORGE HANSEN DID NOT MAKE A GOOD FAITH EXPOSURE OF THE FACTS TO JOHN RUNFT. A COMBINATION OF THOSE FACTS, LADIES AND GENTLEMEN, DOES NOT PERMIT HIM TO COME UP HERE BEFORE YOU AND USE LEGAL COUNSEL'S ADVICE AS AN EXCUSE FOR NOT REPORTING HIS TRANSACTIONS.

AND, OF COURSE, WHAT ABOUT A.C.T.? A.C.T. IS GEORGE HANSEN'S ORGANIZATION TO FIGHT THE IRS AND TO PROMOTE A FLAT TAX RATE. YOU MAY BE FOR GEORGE HANSEN'S PROGRAM; YOU MAY BE AGAINST GEORGE HANSEN'S PROGRAM. THAT IS NOT THE ISSUE. THE ISSUE IS: WAS THE $135,000 USED BY GEORGE HANSEN OR WAS IT MONEY THAT WAS LENT TO A.C.T.? THE ANSWER IS OBVIOUS. ISN'T IT INTERESTING. HE NEVER TOLD THE BOYS IN VIRGINIA THAT THE MONEY WAS TO BE USED FOR THE ASSOCIATION OF

CONCERNED TAXPAYERS. THOSE BOYS FROM VIRGINIA WERE HOSTILE GOVERNMENT WITNESSES, TRYING TO HELP GEORGE HANSEN AS MUCH AS THEY COULD, AND YET, THEY COULDN'T SAY ANYTHING ABOUT THE ASSOCIATION OF CONCERNED TAXPAYERS. THEY BEST THEY COULD COME UP WITH, HE WAS USING THE MONEY TO PROMOTE A BOOK.

THE BOOK WAS HIS. HE WAS CLAIMING DEDUCTIONS ON HIS TAX RETURN FOR THE EXPENSES OF HIS BOOK. HE TOLD THE BANK IN AUGUST 1981 THAT PROCEEDS OF THE BOOK WERE GOING TO BE USED TO PAY OFF A PERSONAL LOAN. IF IN FACT THE 135 DID GO TO USE OF THE BOOK, HE STILL HAD TO REPORT THE LOANS, BECAUSE THAT WAS PURELY A PERSONAL VENTURE. IT WAS ONLY WHEN THE BOOK DIDN'T SELL THAT THEY DUMPED IT INTO THE A.C.T. MAILING, LONG AFTER THE LOANS WERE MADE IN THE SUMMER OF 1982.

GARY JARMIN, THE TREASURER, DID HE EVER TELL GARY JARMIN THAT THESE LOANS FROM THE VIRGINIA BOYS WERE MONIES THAT THE A.C.T. ORGANIZATION COULD USE? OF COURSE NOT.

THE MONEY WAS ALL GONE, THE MONEY WAS LONG GONE BEFORE THE A.C.T. OPERATION GOT UNDER WAY.

STIPULATION NO. 11, LOOK AT IT WHEN YOU GO BACK IN THE JURY ROOM. YOU CAN'T SPEND MONEY TWICE. AND I THINK WHAT'S SO CRYSTAL CLEAR IS THAT WE KNOW WHAT MONIES GEORGE HANSEN USED FOR A.C.T.

MR. LEWIN'S CHART, IT'S A DEFENSE EXHIBIT, DEMONSTRATES CLEARLY THAT FROM MARCH 15TH TO MARCH 24TH, LONG AFTER THE VIRGINIA LOANS WERE MADE, ABOUT $95,000 OF GEORGE

HANSEN'S WAS PUT INTO THE A.C.T. ACCOUNT. WHERE DID THAT MONEY COME FROM? THE LAST TWO GOVERNMENT WITNESSES IN THE REBUTTAL CASE MAKE THAT ABUNDANTLY CLEAR. ON MARCH THE 2ND, 1982, HE GOES TO A BANKER IN IDAHO AND OPENS AN A.C.T. ACCOUNT, BORROWS $90,000, TAKES ANOTHER $5,000 FROM HIS CHECKING ACCOUNT, AND PUTS IT INTO ANOTHER IDAHO ACCOUNT. IN THE SAME MONTH, HE WITHDRAWS $93,000 FROM THE SECOND IDAHO ACCOUNT AND PUTS IT IN THE RIGGS ACCOUNT. AND THAT IS THE MONEY THAT WAS USED FOR A.C.T., NOT THE MONEY FROM THE VIRGINIA BOYS. THAT MONEY WAS LONG GONE. YOU CAN'T SPEND THE SAME MONEY TWICE, LADIES AND GENTLEMEN.

RELYING ON JIM MCKENNA'S ADVICE NOT TO REPORT THE VIRGINIA LOANS -- TALK ABOUT A MAN BEING IN THE DARK. HE NEVER KNEW ABOUT THE IDAHO ACCOUNT, NEVER KNEW ABOUT THE A.C.T. ACCOUNT, EVEN THOUGH HE WAS THE NO. 2 MAN IN THE ORGANIZATION. HE NEVER KNEW ABOUT THE VIRGINIA MONEY WHEN THE VIRGINIA MONEY WAS RECEIVED. WOULDN'T IT HAVE BEEN A NORMAL THING FOR GEORGE HANSEN TO GO UP TO HIS WORKMATE, THE NO. 2 MAN IN A.C.T., IN THE SUMMER OF '81 AND SAY, "OH, GREAT NEWS. I JUST GOT $135,000 FROM THESE VIRGINIA BOYS AND WE CAN USE THAT MONEY IN OUR TAX PROGRAM." HE NEVER DID THAT. HE NEVER TOLD GEORGE -- GEORGE HANSEN NEVER TOLD JIM MCKENNA ABOUT THAT 135 UNTIL IT WAS TIME TO REPORT THE MONEY AND HE WAS LOOKING FOR A LEGAL EXCUSE NOT TO DO IT. AND I SUBMIT THE REASON HE DIDN'T TELL JIM MCKENNA ABOUT THE 135 HAD A LOT TO DO WITH THE FACT THAT HE WAS LOBBYING THE WATER CAR AT THE SAME TIME FOR THE SAME

PEOPLE AT THE PENTAGON.

JIM MCKENNA'S LEGAL ADVICE IS THE ADVICE OF A MAN WHO IS ON THE PAYROLL AND IS A MAN -- IT IS THE ADVICE OF A MAN WHO IS IN THE DARK. YOU CAN'T RELY ON LEGAL ADVICE IF YOU DON'T LEVEL WITH YOUR ATTORNEY.

THE LAW IN THIS CASE AND THE ISSUES IN THIS CASE ALL COME DOWN TO ONE THING: WHAT WAS GEORGE HANSEN'S INTENT WHEN HE DIDN'T REPORT THE HUNT DEALS AND THE VIRGINIA LOANS? WAS IT SIMPLY A MISTAKE? WAS IT AN ACCIDENT? WAS HE ACTING IN GOOD FAITH? I SUBMIT TO YOU, LADIES AND GENTLEMEN, THE EVIDENCE IS OVERWHELMING. IT WAS NO MISTAKE; IT WAS NO ACCIDENT; THERE WAS NO GOOD FAITH. THESE TRANSACTIONS, WHEN OPENED TO THE FRESH AIR, WHEN YANKED OUT OF JOHN RUNFT'S OFFICE -- AND I SUBMIT JOHN RUNFT NEVER THOUGHT THAT PROPERTY SEPARATION AGREEMENT WOULD SEE THE LIGHT OF DAY -- WHEN YANKED OUT OF MING'S TOLL RECORDS, MCAFEE'S MEMORY, MEADE'S BANK, IDAHO BANKS, AND MANY OTHER PLACES, EMIT AN ODOR THAT CAN BE PICKED UP ALL THE WAY IN POCATELLO, IDAHO. AND IT'S NOT THE ODOR OF SPRING FLOWERS; IT IS THE STENCH OF POLITICAL CORRUPTION.

GEORGE HANSEN WENT TO GREAT LENGTHS TO HIDE THAT STENCH, TO HIDE IT FROM HIS PEERS ON THE HILL, TO HIDE IT FROM THE PRESS, TO HIDE IT FROM HIS CONSTITUENTS, THE GOOD PEOPLE OF IDAHO, AND TO HIDE IT FROM THE LAW.

MR. LEWIN: YOUR HONOR, I OBJECT TO THE REMARKS

ABOUT POLITICAL CORRUPTION AND STENCH.

THE COURT: COUNSEL TO THE BENCH, MR. LEWIN.

(AT THE BENCH)

THE COURT: WHATEVER THE PROBLEM, I DON'T WANT TO HAVE IT SAID IN FRONT OF THE JURY, MR. LEWIN. YOU UNDERSTAND THAT.

MR. LEWIN: YES. THAT IT SEEMS TO ME JUST WENT BEYOND THE NARROW TERMS OF ARGUMENT. YOU KNOW, I TRIED NOT TO INTERFERE WITH HIS CLOSING ARGUMENT, BUT WHEN HE STARTS TALKING ABOUT STENCH OF POLITICAL CORRUPTION IN A CASE OF THIS KIND, I JUST THINK THAT GOES TOO FAR. THAT IS SIMPLY INTENDED TO INFLAME THE JURY. AND I REQUEST THE JURY BE INSTRUCTED THAT THAT WAS AN IMPROPER REMARK THAT SHOULD NOT HAVE BEEN MADE, AND I WANT IT WITHDRAWN.

MR. WEINGARTEN: IT'S A PERFECTLY LEGITIMATE ARGUMENT.

MR. LEWIN: I'M SORRY. IT IS NOT PROPER ARGUMENT.

THE COURT: IT IS ARGUMENT, PERHAPS A LITLE STRONGER THAN SOME OF THE ARGUMENTS THAT CAN BE MADE. I CAN'T SAY THAT IT IS AN UNTOWARD ARGUMENT IN THE LIGHT OF THE EVIDENCE THAT WE HAVE HEARD IN THIS CASE. BUT I WOULD ASK THAT, OF COURSE, MR. WEINGARTEN NOT REPEAT THAT AND LET IT GO AT THIS ONE TIME.

MR. LEWIN: ALL RIGHT. I OBJECT TO THAT, YOUR HONOR.

THE COURT: OF COURSE, WE HAVE YOUR OBJECTION NOTED.

(IN OPEN COURT)

THE COURT: YOU MAY CONTINUE.

MR WEINGARTEN: THE BOTTOM LINE, LADIES AND GENTLEMEN: CONGRESSMAN HANSEN WANTED TO HIDE THESE TRANSACTIONS FROM THE CONGRESS, FROM THE PEOPLE OF IDAHO, FROM THE PRESS, FROM THE PUBLIC, AND FROM THE LAW. THE FIRST FOUR YEARS THE ETHICS IN GOVERNMENT ACT WAS ON THE BOOKS, THE MAN FILED FALSE STATEMENTS. THE ONLY VERDICT -- THE ONLY VERDICT CONSISTENT WITH THE EVIDENCE IS GUILTY AS CHARGED.

THANK YOU.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE ARE GOING TO TAKE A TEN-MINUTE RECESS AT THIS TIME. OF COURSE, I ASK THAT YOU NOT DISCUSS THE CASE AMONG YOURSELVES OR WITH ANYONE. AND THEN, HOPEFULLY, WE WILL BE ABLE TO COMPLETE THE ARGUMENTS FROM THE DEFENSE NEXT AND THEN FROM MR. WEINGARTEN OR MR. COLE LAST BEFORE YOUR LUNCHTIME RECESS. SO PLEASE PREPARE FOR A SITTING OF PERHAPS UP TO TWO HOURS OR SO. ALL RIGHT?

THE JURY IS EXCUSED FOR THE NEXT TEN MINUTES.

(SHORT RECESS TAKEN FROM 10:02 A.M. UNTIL 10:14 A.M.)

(JURY NOT PRESENT)

THE COURT: ARE YOU READY, MR. LEWIN, OR DO YOU NEED ANOTHER MINUTE?

MR. LEWIN: YES, YOUR HONOR, I'M READY.

THE COURT: VERY GOOD. SHALL WE BRING THE JURY IN.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: ALL RIGHT, LADIES AND GENTLEMEN OF THE JURY. WE ARE NOW TO HEAR FROM MR. LEWIN, THE DEFENSE COUNSEL IN THIS CASE, AND HIS CLOSING ARGUMENT. MR. LEWIN.

MR. LEWIN: THANK YOU, YOUR HONOR.

LADIES AND GENTLEMEN OF THE JURY. YOU WILL RECALL I GUESS IT WAS TEN DAYS AGO WHEN I INTRODUCED MYSELF TO YOU AND TOLD YOU THAT AT THAT POINT I WOULD TRY TO GIVE YOU, IN ADVANCE, THE OUTLINES -- THE TRUE OUTLINES OF THE PICTURE THAT SHOULD BE ON THE COVER OF THAT JIGSAW PUZZLE BOOK -- JIGSAW PUZZLE BOX, RATHER. THAT'S WHAT MR. COLE HAD REFERRED TO IT IN OPENING ARGUMENT, AND I THOUGHT IT WAS AN APPROPRIATE ANALOGY. AND I STILL THINK IT IS. AND IT IS KIND OF INTERESTING, REALLY, THAT THE GOVERNMENT COUNSEL HAS NOT EVEN TALKED ABOUT IT IN THOSE TERMS, BECAUSE I THINK WHAT THE TRIAL HAS SHOWN YOU OVER THE COURSE OF THESE TEN DAYS IS THAT THERE WERE LOTS OF PIECES OF THAT JIGSAW PUZZLE, LOTS OF ELEMENTS THAT WERE NEVER DESCRIBED TO YOU IN ADVANCE BY THE GOVERNMENT, THAT WERE NEVER SUGGESTED TO YOU, AND THAT IN FACT REALLY MAKE UP THE TRUE PICTURE. AND I THINK THAT'S EVEN TRUE AS OF TODAY, AS WE LOOK BACK AT THE EVIDENCE.

BEFORE PROCEEDING WITH THAT, LET ME FIRST THANK YOU, BECAUSE IT HAS CERTAINLY STRUCK ME, AND ALL MY COLLEAGUES AT THE DEFENSE TABLE, THROUGHOUT THIS ENTIRE TRIAL, THAT YOU'VE BEEN AN EXTRAORDINARILY ATTENTIVE GROUP OF JURORS, AND

THAT ALTHOUGH THERE HAVE BEEN TIMES IN THE COURSE OF THIS TRIAL WHERE THERE HAVE BEEN DOCUMENTS THAT HAVE BEEN INTRODUCED IN EVIDENCE IN SEQUENCE AND THINGS THAT HAVE SORT OF BEEN DULL AND DREARY, THAT YOU HAVE ALWAYS SAT THROUGH AND LISTENED CAREFULLY, BECAUSE I THINK YOU RECOGNIZE, AS WE DO, THAT THIS IS A VERY, VERY SERIOUS MATTER THAT YOU ARE CONSIDERING; THAT THE REPUTATION, THE HONOR, THE VERY LIFE OF A CONGRESSMAN IS AT STAKE BEFORE YOU IN THIS CASE.

I SHOULD ALSO, IN CASE I HAVE IN ANY WAY OFFENDED YOU IN SOME WAY -- I MEAN AT TIMES I HAVE OBJECTED. MAYBE I APPEARED TO BE EXERCISED. I'D RUN UP TO THE BENCH. WE'VE HAD A CONFERENCE WITH HER HONOR UP AT THE BENCH. IF YOU HAVE GOTTEN ANGRY AT ME FOR ANY OF THE THINGS THAT I HAVE DONE IN THE COURSE OF THIS TRIAL, I ASK YOU, PLEASE, NOT TO HOLD IT AGAINST CONGRESSMAN HANSEN. I'VE BEEN TRYING TO DO THE BEST I COULD IN TERMS OF BRINGING THE FACTS BEFORE YOU, IN TERMS OF CROSS-EXAMINING THE WITNESSES. AND THOSE MATTERS ARE LEFT, REALLY, ENTIRELY TO MY JUDGMENT, AND IT IS MY ACTIONS WHEN I TAKE THEM, AND HE HAS NO RESPONSIBILITY FOR THEM.

THE PROSECUTOR TOLD YOU IN SUMMATION THAT WHAT WE TELL YOU AS LAWYERS IS NOT EVIDENCE. AND THAT'S REALLY VERY IMPORTANT TO BEAR IN MIND, AND I THINK PARTICULARLY SO THIS MORNING, BECAUSE I THINK WHAT YOU'VE HEARD SO FAR THIS MORNING HAS BEEN CERTAINLY A VERY HIGH-PITCHED, OUTRAGED, ANGRY PROSECUTOR TELLING YOU, IN THE MOST EXTREME TERMS, ABOUT WHAT

TERRIBLE THINGS HAVE BEEN DONE. BUT THE CASE -- THE CASE BEFORE YOU, THE EVIDENCE IS NOT TO BE JUDGED ON THE BASIS OF THE ANGER OF THE PROSECUTOR, ON THE BASIS OF HOW LOUDLY HE CAN MAKE HIS POINTS, OR HOW MUCH HE CAN WAVE HIS ARMS OR POUND ON THE TABLE. THE IMPORTANT THING FOR YOU TO DO IS VERY CALMLY, VERY COOLY JUST LOOK AT THE EVIDENCE, SEE WHAT IS THERE -- SEE WHETHER THERE IS ANYTHING THERE.

THE PROSECUTOR TALKED AT THE CLOSE OF HIS SUMMATION -- USED WHAT I THOUGHT WAS AN OBJECTIONABLE WORD, THE WORD "STENCH". MAYBE WE'LL GET TO IT BEFORE I CONCLUDE. IT'S A WORD I WOULD LIKE TO RESERVE FOR A WHILE.

BUT I THINK, REALLY, WHAT YOU HAVE SEEN IN THIS TRIAL AND WHAT YOU HEARD THS MORNING CAN MAYBE BE DESCRIBED MORE SPECIFICALLY AS A SMOKESCREEN. LITERALLY, THE WORD "SMOKESCREEN". WHAT IT MEANS IS YOU CREATE A LOT OF SMOKE, A LOT OF SMOKE, SO IT'S A SCREEN, SO NOBODY CAN LOOK THROUGH IT AND SEE WHAT THERE REALLY IS, IF ANYTHING, BEHIND IT. AND I SUBMIT TO YOU THAT IF WE GO THROUGH THE EVIDENCE AND WE GO THROUGH IT CALMLY AND WE GO THROUGH IT WITHOUT ANGER, WITHOUT TRYING A LOT OF EXTREME ADJECTIVES, I THINK YOU WILL SEE THAT WHAT THE CASE INVOLVES AND WHAT HAS BEEN PRESENTED TO YOU BY THE PROSECUTION REALLY IS EXACTLY THAT: A SMOKESCREEN.

BEFORE I PROCEED WITH THAT, LET ME MAKE JUST ONE MORE PRELIMINARY POINT, BECAUSE IT'S IMPORTANT. AND THERE IS ALWAYS A DANGER IN A CRIMINAL TRIAL THAT PEOPLE FORGET.

HER HONOR WILL INSTRUCT YOU, AS SHE DID AT THE VERY BEGINNING OF THE TRIAL, THAT IN OUR COUNTRY, UNDER OUR SYSTEM OF JUSTICE, ANYBODY WHO STANDS ACCUSED OF A CRIMINAL OFFENSE HAS A PRESUMPTION OF INNOCENCE THAT GOES FROM THE BEGINNING OF THE TRIAL ALL THE WAY THROUGH TO THE VERY END, TO THIS VERY MOMENT, INTO THE JURY ROOM, UNTIL YOU LOOK AT THAT EVIDENCE. THE DEFENDANT IS PRESUMED TO BE INNOCENT. AND THERE'S A BURDEN. THERE'S A BURDEN ON THE GOVERNMENT OF PROVING GUILT BEYOND A REASONABLE DOUBT.

I WILL TELL YOU THE REASONS, AND WE'LL GO THROUGH IT, I THINK THAT THIS IS A CASE WHERE YOU DON'T EVEN HAVE TO THINK IN TERMS OF REASONABLE DOUBT. BUT AS WE GO THROUGH IT, LET ME JUST POINT UP REASONABLE DOUBTS TO YOU AS WE GO THROUGH THE EVIDENCE. BUT THE STANDARD THAT HER HONOR WILL EXPLAIN TO YOU IS THAT ON EVERY ELEMENT OF THE OFFENSE THAT IS CHARGED, YOU CAN ONLY FIND THE DEFENDANT GUILTY IF YOU ARE SATISFIED BEYOND A REASONABLE DOUBT THAT THE DEFENDANT IS GUILTY. AND A REASONABLE DOUBT MEANS EXACTLY WHAT IT SOUNDS LIKE. IT MEANS A DOUBT FOR WHICH YOU CAN STATE A REASON: LOOK, I WONDER ABOUT THIS BECAUSE; I DON'T THINK IT'S RIGHT BECAUSE. THAT'S A REASONABLE DOUBT. AND THE QUESTION ON EVERY COUNT OF THIS INDICTMENT IS: HAS CONGRESSMAN HANSEN BEEN PROVED GUILTY WITHOUT ANY REASONABLE DOUBT WHATEVER. SO YOU'VE GOT TO BEAR THAT IN MIND.

LET ME START OFF, BEFORE WE GO INTO GREAT DETAILS --

LET'S JUST USE EXACTLY WHAT THE PROSECUTOR HAS TALKED OVER AND OVER AGAIN: YOUR COMMON SENSE. USE YOUR COMMON SENSE, BECAUSE THAT'S THE MOST IMPORTANT THING YOU BRING TO ALL THIS. AND IF YOU USE YOUR COMMON SENSE AND PUT ASIDE THE SMOKESCREEN FOR A MINUTE, THINK ABOUT WHAT IT IS THAT CONGRESSMAN HANSEN HAS BEEN CHARGED WITH AND THINK, IN TERMS OF COMMON SENSE, WHETHER IT REALLY MAKES COMMON SENSE.

THERE ARE A LOT OF TREES -- THERE ARE A LOT OF DOCUMENTS, THERE ARE CHARTS, THERE'S CHECKS, THERE'S ALL SORTS OF THINGS, AND PARTICULAR TESTIMONY. BUT STAND BACK FROM THAT FOR A MOMENT. STAND BACK FROM THE TREES AND LOOK AT THE WHOLE FOREST.

WHAT IS THE CHARGE? CONGRESSMAN HANSEN IS BEING CHARGED WITH HAVING COMMITTED CRIMES IN EACH OF FOUR YEARS IN THAT, THE GOVERNMENT SAYS, HE DELIBERATELY FALSIFIED THESE FORMS, THE ETHICS IN GOVERNMENT ACT FORMS.

NOW, LOOK. THERE ARE CERTAINLY REASONS WHY PEOPLE MIGHT DELIBERATELY FALSIFY AN ETHICS IN GOVERNMENT ACT FORM. IF SOMEBODY WHO'S A CONGRESSMAN OR SOMEBODY IN THE EXECUTIVE BRANCH ACTUALLY TAKES A BRIBE, ACTUALLY HAS A CONFLICT OF INTEREST, ACTUALLY AT THE TIME THAT HE SUBMITS THAT FORM WANTS TO HIDE SOMETHING, THERE MIGHT BE A MOTIVE. BUT THE AMAZING THING IS, LADIES AND GENTLEMEN, IF YOU STAND BACK FOR A MINUTE, WONDER ABOUT YOURSELF -- WONDER, YOURSELF, FOR A MINUTE: DOES A MOTIVE HERE REALLY MAKE SENSE? LOOK AT THE

FORMS. THE GOVERNMENT BLEW UP IN LARGE SIZE PORTIONS OF THOSE FORMS.

TAKING THE FIRST ONE, WHICH IS REALLY FOR COUNT 4 OF THE INDICTMENT. AND I TRIED TO POINT OUT WITH THE FIRST WITNESS, YOU WILL RECALL, WITH THE FBI AGENT -- THIS IS THE PART OF THE STATEMENT THAT THE GOVERNMENT THOUGHT WAS RELEVANT THAT WAS FILED FOR THAT FIRST YEAR IN 1979. AND HERE IS WHERE THE GOVERNMENT SAYS CONGRESSMAN HANSEN DELIBERATELY LIED, BECAUSE HE DIDN'T PUT SOMETHING IN ON THAT FORM. IF HE HAD PUT IN ~~ON~~ MAY 15TH, 1979, WHAT THE GOVERNMENT SAYS THAT THEY WANTED HIM TO PUT IN OR WHAT HE SHOULD HAVE PUT IN, WHAT WOULD HAVE BEEN WRITTEN IN HERE WOULD HAVE BEEN "FIRST NATIONAL BANK" -- IT MIGHT NOT EVEN HAVE SAID "FIRST NATIONAL BANK OF DALLAS". THIS IS THAT LOAN THAT WAS TAKEN THAT MRS. HANSEN TOOK AFTER THAT TERRIBLE SOYBEAN TRANSACTION. YOU WILL NOTICE IT SAYS "FIRST BANK AND TRUST" UP THERE. IT DOESN'T EVEN SAY WHERE. JUST THE NAME OF THE BANK. "FIRST SECURITY BANK." CONGRESSMAN HANSEN, IF HE HAD DISCLOSED WHAT THE GOVERNMENT WANTS HIM TO DISCLOSE, WOULD HAVE WRITTEN "FIRST NATIONAL BANK", ROMAN NUMERAL III. THAT'S WHAT THE VERY FIRST WITNESS TESTIFIED TO, THAT FBI AGENT.

DOES IT MAKE SENSE TO YOU, JUST COMMON SENSE -- STAND BACK FROM ALL THE TREES, JUST LOOK AT THE FOREST. DOES IT MAKE SENSE, WITHOUT ANY BACKGROUND, THAT A CONGRESSMAN SAYS TO HIMSELF, "I'M NOT GOING TO WRITE ON THAT FORM FIRST

NATIONAL BANK, ROMAN NUMERAL III, BECAUSE -- BECAUSE WHAT'S GOING TO HAPPEN? NOTHING'S GOING TO HAPPEN IF HE WRITES IT ON THERE. THERE ARE REASONS WHY IT WASN'T ON THERE, AND YOU'VE HEARD THOSE, AND WE'RE GOING TO SUMMARIZE THOSE IN A MINUTE. BUT THE MOTIVE ISN'T THERE. IF YOU REALLY LOOK AT THE CHARGE, IT MAKES NO SENSE WHATEVER.

LOOK AT THE SECOND FORM. THIS IS THE OFFENSE, LADIES AND GENTLEMEN. NOT THE OFFENSE THAT THEY CHARGE, NOT WHETHER THERE WAS 125,000 IN A MARGIN ACCOUNT, NOT WHETHER THE MONEY WAS USED FROM THE SILVER TRANSACTION. THE OFFENSE IS NOT PUTTING IN WHAT THE GOVERNMENT SAYS HAD TO BE IN THERE.

ASSUME IN 1980 THERE HAD BEEN A LINE THERE THAT HAD SAID "SILVER COMMODITIES" -- THAT'S WHAT THEY'RE TALKING ABOUT, RIGHT? THE SILVER PURCHASE. "SILVER COMMODITIES." ASSUMING IT WOULD HAVE SAID JANUARY 1979. AND THEN ASSUMING IT WOULD HAVE SAID IN THE PROPER CATEGORY -- IT DOESN'T HAVE IT LISTED HERE, BUT I THINK THE PROPER CATEGORY WOULD HAVE BEEN "C" OR "D". WHAT WOULD HAVE HAPPENED? WHAT WOULD HAVE HAPPENED?

IS THIS A CASE WHERE SOMEBODY IS CONCEALING SOMETHING IN ORDER TO GET SOMETHING? YOU KNOW, A FRAUD? YOU CONCEAL ON AN APPLICATION FOR, YOU KNOW, SOMETHING, OR A FRAUD THAT YOU PUT ON YOUR TAXES BECAUSE YOU WANT TO REDUCE YOUR TAXES? THAT'S NOT WHAT WE ARE TALKING ABOUT. WHAT WE'RE TALKING ABOUT IS A LITTLE THING ON THERE THAT WOULD SAY

"SILVER COMMODITIES" WITH A LETTER NEXT TO IT. NOBODY WOULD HAVE DONE ANYTHING. NOBODY WOULD HAVE KNOWN ABOUT ANYTHING. IT WOULD HAVE MADE NO DIFFERENCE.

BUT THAT'S WHAT THE GOVERNMENT -- THAT'S THE FIRST THING THE GOVERNMENT IS TRYING TO GET YOU TO NOT LOOK AT WITH THAT SMOKESCREEN.

YOU CAN GO THROUGH EACH OF THOSE FORMS. I AM NOT GOING TO TAKE THE TIME NOW TO PUT THEM EACH UP, BUT THE NEXT ONE HAS GOT A WHOLE GROUP -- MAYBE I WILL PUT IT UP. IT'S GOT A WHOLE GROUP OF LIABILITIES. WHAT WOULD HAVE HAPPENED IF, IN ADDITION TO ONE, TWO, THREE, FOUR, FIVE, SIX LIABILITIES CONGRESSMAN HANSEN HAD WRITTEN ON THERE -- THIS IS THAT SAME FIRST NATIONAL BANK LOAN AGAIN, REMEMBER? NOW, THIS IS FOR THE YEAR 1980. NOW, YOU WILL RECALL -- AND IT'S A LITTLE DIFFICULT TO TRACE, AND MAYBE WE'LL GO BACK THROUGH IT. YOU WILL RECALL THAT IN 1980, NELSON BUNKER HUNT PAID OFF THAT LOAN. BUT IT WASN'T UNTIL 1981, IN THAT MEETING AFTER THE BLACKMAIL LETTER, THAT MRS. HANSEN ACTUALLY SIGNED THE NOTE TO NELSON BUNKER HUNT. SO, FROM 1980, REALLY, NO NOTE HAD BEEN SIGNED TO NELSON BUNKER HUNT. AGAIN, WHAT WOULD HAVE HAPPENED IN TERMS OF LIABILITIES, IT WOULD HAVE SAID "FIRST NATIONAL BANK". MAYBE IT WOULD HAVE SAID "FIRST NATIONAL BANK OF DALLAS". AND IT WOULD HAVE SAID, WHAT? "C". SO WHAT?

EVEN ASSUMING -- TAKE THE WORST. SAY, HEY, HE SHOULD

HAVE PUT DOWN "N. B. HUNT, C". WHAT WOULD HAVE HAPPENED? WOULD A CONGRESSMAN COMMIT A CRIME -- HE IS NOT GETTING ANY MONEY IN HIS POCKET AS A RESULT OF THAT. DOES HE WANT TO HIDE THE FACT THAT HE KNOWS MR. HUNT? MR. HUNT TESTIFIED HE CONTRIBUTED TO HIS CAMPAIGN, WHICH MAKES HIM, IN TERMS OF PUBLIC NOTICE, A SUPPORTER OF CONGRESSMAN HANSEN.

MR. HUNT TESTIFIED, "I AND CONGRESSMAN HANSEN ARE THE SAME IN TERMS OF OUR CONSERVATIVE POLITICAL PHILOSOPHIES." IT WAS NO SURPRISE THAT THE TWO OF THEM HAD SIMILAR VIEWS. HE WASN'T HURTING HIMSELF IN ANY WAY WITH ANY VOTERS, WITH ANY OTHER CONGRESSMEN, WITH ANYBODY, EVEN IF IT HAD SAID "N. B. HUNT." WHAT'S THE MOTIVE? THERE'S NO MOTIVE FOR THE OFFENSE, THE VERY OFFENSE THAT THE GOVERNMENT IS CHARGING.

AND THE FINAL THING, ON THE LIABILITIES FROM SEVERAL VIRGINIA PEOPLE WHO MR. WEINGARTEN LIKES TO CALL "THE VIRGINIA BOYS" -- THERE'S NO REASON, REALLY, FOR THAT DISPARAGEMENT. MR. MCAFEE IS A RESPECTED ATTORNEY WHO HAS HAD VERY WELL-KNOWN CLIENTS IN THE PAST. NO BASIS FOR SAYING "VIRGINIA BOYS."

HE SAYS MR. MEADE HAS GOT A CRIMINAL CONVICTION. ABSOLUTELY RIGHT. MR. MEADE COMMITTED CRIMES. YOU HEARD MR. MEADE ON THE WITNESS STAND. IF YOU HADN'T KNOWN THAT MR. MEADE HAD A CRIMINAL RECORD, WOULD YOU REALLY HAVE THOUGHT HE WAS A MAN YOU COULDN'T TRUST? CONGRESSMAN HANSEN DIDN'T KNOW MR. MEADE'S CRIMINAL RECORD, DIDN'T KNOW WHAT HE WAS

DOING. HE DEALT WITH HIM JUST AS YOU HEARD HIM ON THE WITNESS STAND. HE SEEMED LIKE A PERFECTLY DECENT FELLOW, GOOD, GOOD POSITION, GOOD REPUTATION, PRESIDENT OF A BANK. SO, HE WOULD HAVE PUT ON THAT FORM THAT'S STILL LYING THERE -- IN ADDITION THERE TO EIGHT LOANS, HE WOULD HAVE PUT TWO MORE. HE WOULD HAVE PUT C. MCAFEE AND O. ROGERS, AND HE WOULD HAVE PUT J. MEADE, WITH A LETTER AFTER IT. AND WHAT WOULD HAVE HAPPENED? WOULD THE SKY HAVE COME FALLING DOWN? WOULD HE HAVE BEEN CAUGHT? WOULD HE HAVE BEEN THROWN OUT OF OFFICE? OBVIOUSLY NOT. THERE IS NO MOTIVE. THERE'S NO MOTIVE FOR THE CRIME. AND THAT'S THE FIRST THING THE GOVERNMENT TRIES TO MAKE YOU NOT SEE WITH THEIR SMOKESCREEN. AND THAT, LADIES AND GENTLEMEN, IS AN ENORMOUS REASONABLE DOUBT. IT'S MORE THAN A REASONABLE DOUBT. IT SEEMS TO ME IT ALMOST ENDS THE CASE RIGHT THERE, BECAUSE YOU DON'T EVEN HAVE TO LOOK AT ALL THE OTHER FACTS IF YOU LOOK AT WHAT WAS REALLY THE OFFENSE.

LET'S GO TO THE ACTUAL FACTS. LET'S GO BACK TO REALLY THE BEGINNING, IF WE CAN. MR. WEINGARTEN HAS SAID TO YOU THE CASE BEGINS WITH NELSON BUNKER HUNT. THAT'S WHAT HE SAID IN HIS SUMMATION THIS MORNING. BUT I SUBMIT TO YOU THAT ALTHOUGH THAT'S THE COVER OF THE JIGSAW PUZZLE THAT THE PROSECUTOR TRIED TO TELL YOU ABOUT AT THE BEGINNING OF THE TRIAL, YOU'VE HEARD ENOUGH TO KNOW THAT THE CASE DID NOT BEGIN WITH NELSON BUNKER HUNT.

THIS CASE BEGAN WELL BEFORE NELSON BUNKER HUNT

APPEARED ON THE SCENE. IT BEGAN WITH CONGRESSMAN HANSEN'S AND MRS. HANSEN'S EFFORTS TO DEAL WITH AN ENORMOUS PERSONAL LIABILITY WHICH THEY HAD, WHICH APPEARS IN THE PROPERTY SETTLEMENT IN TERMS OF LOANS, AS PERSONAL LOANS. THAT'S FROM PEOPLE -- NOT BANKS, BUT FROM INDIVIDUALS, IN THE AMOUNT OF $372,000, THAT GREW OUT OF RECENT POLITICAL ATTACKS AND GREW OUT OF THE EXPENSES THAT A COUPLE OF MODEST MEANS HAS WHEN THEY GO INTO PUBLIC SERVICE AND THEY HAVE A HOME IN IDAHO AND THEY'VE GOT TO LIVE IN IDAHO AND THEY'VE GOT TO LIVE IN WASHINGTON AND THEY'VE GOT ALL THOSE EXPENSES. YOU HEARD THE DETAILS FROM MRS. HANSEN ABOUT HOW THEY STRUGGLED THROUGH THE YEARS, THROUGH THE TIMES THAT THE CONGRESSMAN WAS IN THE SERVICE, THROUGH THE TIMES THAT THEY WENT BACK TO IDAHO, THAT HE BECAME A PUBLIC SCHOOL TEACHER; THAT HE WENT BACK TO SCHOOL PRIOR TO BECOMING A PUBLIC SCHOOL TEACHER. ALL THESE THINGS, ORDINARY, AVERAGE PERSON -- NOT SOMEBODY BORN INTO GREAT WEALTH.

MRS. HANSEN TOLD YOU SHE WAS BORN DAUGHTER OF A SHARECROPPER, ONE OF TEN CHILDREN, GREW UP, TAUGHT IN A ONE-ROOM SCHOOLHOUSE, THE ONLY MEMBER OF THE FAMILY WHO GRADUATED HIGH SCHOOL.

THIS IS A FAMILY, MODEST MEANS, RAISING FIVE CHILDREN, COMING UP WITH AN ENORMOUS DEBT. NOW, I DON'T KNOW. MR. WEINGARTEN MAY BE SUGGESTING TO YOU IN HIS SUMMATION -- AND IT STRIKES ME AS QUITE EXTRAORDINARY -- THAT MAYBE THAT

DEBT DIDN'T EXIST; THE WHOLE THING HAS ALL BEEN MADE UP. WELL, YOU'VE HEARD TESTIMONY (A) THAT THERE WAS ENORMOUS ADVERSE PUBLICITY IN IDAHO ABOUT THE DEBT. MRS. HANSEN, BECAUSE SHE TRIED TO MAKE EFFORTS TO COLLECT FOR IT, WAS CALLED "TIN CUP CONNIE." LAWYERS, MR. RUNFT ON BEHALF OF THE CONGRESSMAN, WORKED UP A WHOLE EFFORT UNDER WHICH LEGALLY FUNDS COULD BE SOLICITED TO PAY OFF THAT DEBT. THE DEBT KEPT BEING THE BASIS FOR THE CONGRESSMAN'S EFFORTS AND PROBLEMS. DOES ONE MAKE UP A DEBT OF THAT KIND?

YOU KNOW, MR. WEINGARTEN SAYS HE ASKED MR. RUNFT AND HE ASKED MR. MCKENNA TO NAME WHO IT IS WHO HAD LENT THE MONEY. HE SLIPPED INTO HIS SUMMATION THAT HE ASKED MRS. HANSEN, BUT YOU CAN GO THROUGH THAT ENTIRE TRANSCRIPT, AND I CHALLENGE HIM ON REBUTTAL TO POINT OUT WHERE IN THE TRANSCRIPT HE ASKED MRS. HANSEN TO NAME A SINGLE PERSON WHO HAD LENT THE MONEY, BECAUSE MRS. HANSEN, MUCH AS SHE WOULD HAVE HATED TO, WOULD HAVE NAMED PEOPLE WHO HAD LENT THE MONEY. SHE WAS NOT ANXIOUS TO DISCLOSE THE NAMES OF THE PEOPLE WHO HAD BEEN KIND TO HER. BUT IF SHE HAD BEEN ASKED BY MR. WEINGARTEN ON THE STAND, SHE WOULD HAVE GIVEN HIM NAMES. SHE SAID THEY WERE ORDINARY PEOPLE. BUT HE NEVER ASKED HER, AS HE DID MR. RUNFT AND MR. MCKENNA, "CAN YOU NAME SOMEONE." THEY DIDN'T KNOW, THAT'S TRUE. THE HANSENS THOUGHT THIS WAS A PRIVATE MATTER WITH REGARD TO FRIENDS AND OTHERS, ORDINARY PEOPLE WHO HAD LENT THEM MONEY TO RESOLVE THEIR PROBLEMS, AND THAT THEY HAD TO PAY THOSE PEOPLE BACK.

IT'S NOT A CRIME TO HAVE A BIG DEBT. INDEED, IN THIS COUNTRY, I'M SURE YOU KNOW, THERE ARE LAWS THAT IF YOU'VE GOT A BIG DEBT, YOU CAN SORT OF WIPE IT OUT. YOU CAN GO INTO A BANKRUPTCY COURT AND YOU CAN SAY, "GEE, I JUST DON'T HAVE THE MONEY," AND THEN THE BANKRUPTCY COURT TRIES TO ARRANGE YOUR ASSETS IN SOME WAY. BUT THE MORE HONORABLE WAY IS TO SAY, "O.K., I'LL PAY BACK THE PEOPLE WHO LENT ME THE MONEY." AND ONE WAY OR ANOTHER, THAT'S WHAT THE HANSENS WERE TRYING TO DO.

SO THE CASE DOESN'T BEGIN WITH BUNKER HUNT. IT BEGINS WITH THE ENORMOUS PERSONAL DEBT THAT THE HANSEN FAMILY HAD IN 1976. AND WHAT HAPPENS WITH REGARD TO THAT? YOU'VE HEARD TESTIMONY. WHAT HAPPENS IN 1976 IS THAT CONGRESSMAN HANSEN TURNS TO HIS LONGSTANDING LAWYER -- MR. WEINGARTEN SAYS HIS "FAVORITE LAWYER." WELL, I'LL TELL YOU SOMETHING. I DON'T KNOW HOW YOU REACT. I THINK IT IS NOT UNREASONABLE, SEEING JOHN RUNFT AND HEARING HIM, FOR HIM TO BECOME SOMEBODY'S FAVORITE LAWYER. JOHN RUNFT, A MEMBER OF THE IDAHO BAR FOR MANY YEARS, SENIOR PARTNER IN A LAW FIRM IN BOISE, CASES -- HIS FIELD IS CONSTITUTIONAL LAW, COMMERCIAL LAW; A VERY WELL-RESPECTED ATTORNEY IN IDAHO. MR. WEINGARTEN MIMICS HIM AND MAKES FUN OF HIM AND BELITTLES HIM, BECAUSE MR. RUNFT'S VIEWS DON'T AGREE WITH MR. WEINGARTEN'S, AND WHAT MR. RUNFT DID IS SOMETHING THAT MR. WEINGARTEN DOESN'T LIKE BECAUSE IT REALLY

HARMS THE CASE AND THE PICTURE THAT HE'S TRIED TO DRAW FOR YOU. BUT THERE WAS CERTAINLY NOTHING WRONG WITH TURNING TO JOHN RUNFT WHEN YOU HAD THAT ENORMOUS DEBT AND SAYING TO HIM, "JOHN, HOW CAN WE DEAL WITH THIS PROBLEM? MAYBE WE CAN SOLICIT PEOPLE PRIVATELY, BUT IS THERE A WAY OF DOING IT CONSISTENT WITH THE FEDERAL ELECTION LAWS?" AND YOU HEARD JOHN RUNFT TESTIFY: YES. HE SAW THE PROBLEM. HE TRIED TO WORK OUT THE MOST STRAIGHTFORWARD WAY ONE COULD WORK OUT IN ORDER TO DEAL WITH THAT PROBLEM. A DIRECT SOLICITATION TO ORDINARY CITIZENS, OUTSIDE OF IDAHO, SO IT WOULD NOT BE INVOLVED WITH THE ELECTION CAMPAIGN, BUT A DIRECT SOLICITATION SAYING, "WE HAVE THIS ENORMOUS DEBT; CAN YOU CONTRIBUTE, UNDER $100." AND THE STATEMENT WOULD HAVE TO BE MADE BY THE CONTRIBUTOR IT'S ONLY BEING GIVEN FOR PERSONAL PURPOSES, NOT FOR CAMPAIGN PURPOSES, AND ALL KINDS OF OTHER RESTRICTIONS. AN 11-POINT PROGRAM, CAREFULLY THOUGHT OUT. THIS IS A CAREFUL LAWYER. THIS ISN'T A FELLOW WHO YOU -- YOU KNOW, YOU'VE GOT SITTING THERE WITH A LAW DEGREE WHOM YOU CAN PULL OUT AND WHO WILL SAY ANYTHING YOU WANT. HE'S CLEARLY A MAN WHO TAKES QUESTIONS THAT ARE PRESENTED TO HIM SERIOUSLY AND DEALS WITH THEM SERIOUSLY.

SO, THE APPLICATION IS SUBMITTED TO THE FEDERAL ELECTION COMMISSION. AND AT THE SAME TIME, THE DOCUMENTS THAT YOU HAVE WILL SHOW YOU AT THE SAME TIME THAT THE FEDERAL ELECTION COMMISSION IS CONSIDERING THE QUESTION, THE

CONGRESSMAN, WITH MR. RUNFT'S ASSISTANCE, WRITES A LETTER TO THE HOUSE ETHICS COMMITTEE, BECAUSE THEY KNOW THIS THING HAS GOT TO BE APPROVED BY THE HOUSE ETHICS COMMITTEE IF IT'S GOING TO WORK. THEY WRITE A LETTER TO THE HOUSE ETHICS COMMITTEE, THEY SAY, "LOOK, WE'VE APPLIED FOR THIS REQUEST, THIS PROCEDURE." AND THEN THE FEDERAL ELECTION COMMISSION SAYS, "O.K. UNDER THE FEDERAL ELECTION LAWS, IT'S ALL RIGHT. OF COURSE, THAT MEANS IT IS ONLY ALL RIGHT UNDER THE FEDERAL ELECTION LAWS. WE SAY IT DOESN'T VIOLATE THE FEDERAL ELECTION LAWS. YOU'VE GOT TO LOOK TO THE HOUSE RULES TO SEE WHETHER IT IS PERMISSIBLE."

AND THE HOUSE THEN TURNS AROUND AND SAYS, "NO, YOU CAN'T DO IT." NOW, THAT IS SOMETHING VERY SUDDEN. THAT IS NOT SOMETHING THAT IS EXPECTED, BECAUSE WHAT A DOCUMENT IN EVIDENCE WILL SHOW YOU -- WHAT A DOCUMENT IN EVIDENCE WILL SHOW YOU IS THAT THE CHAIRMAN OF THE HOUSE ETHICS COMMITTEE, IN ANSWER TO MRS. HANSEN'S LETTER WRITTEN IN JUNE OF 1977, SAYS -- AND THIS IS EXHIBIT 37 -- "THE CODE OF ETHICS ADOPTED BY THE HOUSE ON MARCH 2 RESULTED DIRECTLY FROM SUSTAINED PUBLIC CRITICISM OF SOME MEMBERS' ACTIONS PRIOR TO THAT DATE. YOUR STATEMENT" -- THIS IS WHAT MRS. HANSEN HAD SAID IN HER LETTER TO HIM IN JUNE OF '77. "YOUR STATEMENT THAT MEMBERS CONVERTED CAMPAIGN CONTRIBUTIONS TO PERSONAL USE BEFORE THE ETHICS CODE WAS ADOPTED IS ENTIRELY CORRECT. IT IS ALSO TRUE THAT SUCH CONVERSION WAS NOT PROHIBITED BEFORE MARCH 2, AS IT

IS NOW." IN OTHER WORDS, IN MARCH OF 1977 -- BEFORE MARCH OF 1977, CONGRESSMEN WERE EVEN TAKING CAMPAIGN MONEY AND USING IT TO PAY PERSONAL DEBTS.

SO, ALONG COMES MARCH OF 1977, AND THE HOUSE TOTALLY SWITCHES AROUND ITS STANDARDS, SAYS YOU CAN'T DO THIS, YOU CAN'T DO THAT, YOU CAN'T DO THE OTHER THING. AND WHO'S CAUGHT IN THE MIDDLE? WHO'S CAUGHT IN THE MIDDLE? GEORGE HANSEN, CONGRESSMAN GEORGE HANSEN.

NOW, WHAT DOES HE DO? HE AND MR. RUNFT AND MRS. HANSEN TALK ABOUT WHAT ALTERNATIVES ARE LEFT TO THEM. AND WHAT THEY DO -- WHAT THEY DO, AND WHAT MR. RUNFT DOES AT THAT POINT, HE SAYS, "LOOK, THE WAY YOU CAN DO SOMETHING THAT WILL BE LAWFUL AND STILL COLLECT FUNDS IS BY WAY OF THIS PROPERTY SETTLEMENT AGREEMENT."

NOW, MR. WEINGARTEN HAS A WAY WHEN HE TALKS ABOUT THESE THINGS OR ASKS QUESTIONS -- AND YOU HEARD IT REPEATEDLY DURING THE TRIAL: "THAT WAS DONE ONLY TO GET AROUND WHAT THE HOUSE DID." YOU KNOW, THE WORD "GET AROUND" -- I THINK IT WAS MR. MCKENNA, FINALLY, WHO CAUGHT HIM UP. HE SAID, "YOU KNOW, I AGREE WITH EVERYTHING YOU SAY EXCEPT THE WORDS 'GET AROUND.'" YOU KNOW, "GET AROUND" IS A SMOKESCREEN WORD. IT'S A WORD THAT MAKES YOU THINK THERE IS SOMETHING DEVIOUS WHEN THERE'S NOTHING DEVIOUS ABOUT IT.

WHAT DID HE DO? THE CONGRESSMAN WENT TO HIS LAWYER AND SAID, "LOOK, WHAT CAN WE DO WITHIN THE LAW? WHAT CAN

WE DO WITHIN THE LAW THAT WILL PERMIT US TO DEAL WITH THIS PROBLEM?" AND THE LAWYER SAYS, "I KNOW WHAT. IDAHO IS A COMMUNITY PROPERTY STATE, AND SO FAR AS THE LAW IS CONCERNED, IT ONLY MAKES SENSE -- IT ONLY MAKES SENSE WHEN A HUSBAND AND A WIFE HAVE RIGHTS IN EACH OTHER'S PROPERTY."

NOW, LET ME -- YOU KNOW, THE UNFORTUNATE THING IS LAWYERS GO THROUGH THREE YEARS OF LAW SCHOOL TO UNDERSTAND LEGAL TERMINOLOGY AND, YOU KNOW, TO REALLY BE ABLE TO KIND OF COME TO FINE LINES. AND THEN IN THIS CASE YOU, AS JURORS -- AND I DON'T THINK ANY OF YOU HAVE A LEGAL EDUCATION, ANY HAVE GONE TO LAW SCHOOL AT ALL -- ARE EXPECTED TO COMPREHEND EXACTLY THE FINE LINES THAT THE LAWYERS DRAW. BUT I WANT TO TRY JUST FOR THREE MINUTES, MAYBE, TO EXPLAIN IT TO YOU IN A WAY THAT I HOPE -- MR. RUNFT TRIED TO EXPLAIN IT, I THINK MR. MCKENNA DID. I THINK THEY DID FINE JOBS. LET ME TRY, ALSO, TO EXPLAIN IT TO YOU.

THE LAW IN A COMMUNITY PROPERTY STATE SAYS THAT EVERY INCOME THAT THE HUSBANDS GETS OR THE WIFE GETS, THE OTHER PARTY HAS AN ABSOLUTE RIGHT TO HALF OF THAT, AUTOMATICALLY WHETHER THEY LIKE IT OR NOT. THE HUSBAND MAKES SOME MONEY, THE HUSBAND BORROWS SOME MONEY, THE WIFE HAS GOT HALF OF THAT, GOOD OR BAD. ALL RIGHT. THAT'S BECAUSE THE LAW SAYS SO.

IF THE LAW DIDN'T SAY SO, THEN THE TWO PEOPLE, FOR PURPOSES OF THE LAW, WOULD BE LIKE ANY TWO PEOPLE WHO MIGHT BE LIVING TOGETHER. THEY MIGHT GIVE THEIR PROPERTY TO EACH

OTHER, BUT THEY WOULDN'T HAVE A RIGHT TO THE OTHER PERSON'S PROPERTY. THE HUSBAND WOULDN'T HAVE A RIGHT TO THE WIFE'S PROPERTY AND THE WIFE WOULDN'T HAVE A RIGHT TO THE HUSBAND'S PROPERTY.

SO, WHAT DOES MR. RUNFT SAY? AND IT'S REALLY SENSIBLE, INTELLIGENT, APPROPRIATE. IT'S NOT A SHAM. MR. RUNFT SAYS, "LOOK, LET'S ELIMINATE THIS AUTOMATIC RIGHT THAT THE HUSBAND HAS IN THE WIFE'S PROPERTY AND THE WIFE HAS IN THE HUSBAND'S PROPERTY. WE CAN DO IT BY AN AGREEMENT. THAT'S THE WAY THEY DO IT IN IDAHO. AND IF THAT'S ELIMINATED" -- AND HE SAID IT SEVERAL TIMES FROM THE WITNESS STAND -- "THE TWO OF YOU, EVEN THOUGH YOU'RE MARRIED, WITHIN THE CHURCH" -- AND YOU HEARD THAT THEY ARE CHURCH MEMBERS. "YOU'RE MARRIED WITHIN THE CHURCH AND YOU'RE MARRIED FOR RELIGIOUS PURPOSES BETWEEN YOURSELVES AND YOU VIEW YOURSELVES AS HUSBAND AND WIFE. BUT THE RIGHT THAT A HUSBAND HAS TO THE WIFE'S PROPERTY AND THE RIGHT THAT A WIFE HAS TO THE HUSBAND'S PROPERTY IS GONE, BECAUSE WE'VE SIGNED THAT AGREEMENT." AND IT'S ONLY BECAUSE OF THAT LEGAL RIGHT THAT THE CONGRESS CAN SAY TO GEORGE HANSEN: "LOOK. WHATEVER LIABILITIES YOUR WIFE HAS OR WHATEVER YOUR WIFE GETS IS SOMETHING YOU'VE GOT TO PUT ON A FORM, BECAUSE IT'S THE LAW THAT GIVES YOU A RIGHT IN YOUR WIFE'S PROPERTY OR YOUR WIFE'S LIABILITY." ONCE WE HAVE ELIMINATED THAT, THEY CAN'T SAY THAT. THEY CAN'T TAKE THE WIFE'S PROPERTY AND SAY IT BELONGS TO THE HUSBAND BY OPERATION OF LAW. IT'S

A VERY SENSIBLE, PROPER, REASONABLE SOLUTION. NOTHING WRONG WITH IT. IT DOESN'T REQUIRE -- YOU SEE, AGAIN, PART OF THE SMOKESCREEN, MR. WEINGARTEN SAYS, "GEE, THEY DIDN'T IMMEDIATELY SET UP SEPARATE BANK ACCOUNTS. GEE, THEY DIDN'T IMMEDIATELY SET UP SEPARATE TAX RETURNS." THEY DIDN'T HAVE TO.

MR. RUNFT SAID IT TIME AND TIME AGAIN, AND MR. MCKENNA SAID IT TIME AND TIME AGAIN. IF TWO PEOPLE LIVE TOGETHER, THEY HAVE NO LEGAL RIGHT TO EACH OTHER'S PROPERTY. BUT THEY CAN GIVE TO EACH OTHER ALL THEY WANT. THEY CAN HAVE JOINT BANK ACCOUNTS ALL THEY WANT. THEY CAN JOINTLY OWN THE HOUSE IN WHICH THEY LIVE. WE ALL KNOW THAT. WE JUST READ THE PAPERS WHEN THEY REPORT ON REAL ESTATE TRANSACTIONS, AND YOU FIND TWO PEOPLE -- LOTS OF CASES WHERE TWO PEOPLE WHO ARE NOT MARRIED WHO JOINTLY OWN A PIECE OF PROPERTY. SO, FOR PURPOSES OF THE LAW, CONNIE HANSEN AND GEORGE HANSEN JOINTLY OWNED THEIR REAL ESTATE BECAUSE THEY CHOSE TO. NOT BECAUSE THE LAW FORCED THEM. AND THAT IS WHAT THE SEPARATE PROPERTY AGREEMENT DID.

AND THEN WHAT HAPPENS? THE SEPARATE PROPERTY AGREEMENT IS PUT INTO EFFECT AND THE HOUSE ETHICS COMMITTEE IS TOLD ABOUT IT. THERE IS A DETAILED LETTER. OF COURSE, THE SETTLEMENT AGREEMENT ITSELF WAS NOT DISCLOSED; NOT UNTIL THIS CASE HAS IT BEEN DISCLOSED. MR. RUNFT WAS THERE ON THE WITNESS STAND. I ASKED HIM -- BECAUSE MR. WEINGARTEN HAD ASKED ME. HE SAID, "LOOK, I WANT TO SEE THE ORIGINAL OF THAT PROPERTY

SETTLEMENT AGREEMENT," AND I SAID TO MR. RUNFT, "BE SURE TO BRING IT WHEN YOU COME ON THE WITNESS STAND." AND HE BROUGHT IT. IT WAS IN AN ENVELOPE WHICH HE HAS KEPT UNTIL THIS TRIAL, BECAUSE THE HANSENS THOUGHT -- AND I SUBMIT TO YOU IT IS A PERFECTLY PROPER AND RIGHT THING TO THINK -- THAT WHAT IS IN THAT PROPERTY SETTLEMENT AGREEMENT IS PRIVATE. AND IT'S A TRAGEDY, A MINOR TRAGEDY, BUT A TRAGEDY THAT BECAUSE OF THE CHARGES THAT HAVE BEEN FILED AGAINST HIM, WHICH ARE BASELESS, AS THIS EVIDENCE SHOWS, THIS MATERIAL, WHICH IS PRIVATE, HAS NOW BECOME PUBLIC RECORD FOR EVERYBODY TO SEE: WHAT IS THE AMOUNT OF THEIR LIFE INSURANCE PROCEEDS AND WHAT DO THEY HAVE IN SAVINGS ACCOUNTS, WHAT DO THEY HAVE IN TERMS OF CARS, WHAT WERE THEIR HOUSES WORTH.

WOULD YOU -- WOULD EACH OF YOU REALLY LIKE TO HAVE THAT FILED IN A COURT OF LAW AND KNOWN PUBLICLY? I SUBMIT TO YOU YOU WOULDN'T. AND IT WAS PERFECTLY REASONABLE FOR THE CONGRESSMAN, PARTICULARLY IN A PUBLIC POSITION, TO SAY, "LOOK, THAT'S PRIVATE INFORMATION. I AM NOT GOING TO FILE THAT OF RECORD UNLESS I HAVE TO." AND HIS LAWYER SAYS TO HIM, "YOU DON'T HAVE TO." SO HE CHOSE NOT TO FILE IT. AND IT DOES NOT BECOME PUBLIC UNTIL, IN ORDER TO DEFEND HIMSELF IN THIS CASE, HE HAS TO GO AND FILE IT PUBLICLY.

ALL RIGHT. 1977. NOW, BUNKER HUNT HAS COME ON THE SCENE -- WE WILL GET BACK TO BUNKER HUNT -- BY 1977, BY THE TIME OF THE PROPERTY SETTLEMENT AGREEMENT. AND WE'LL GET

BACK TO THAT TRANSACTION IN A MINUTE. BUT THE POINT -- ONE POINT WITH REGARD TO BUNKER HUNT THAT HAS TO BE BORNE IN MIND IS THAT IN THAT 1977 PROPERTY AGREEMENT, THE LOAN, THE VERY LOAN THAT THE GOVERNMENT SAYS SHOULD HAVE BEEN ON THE 1979 RETURN -- I DON'T KNOW WHERE I'VE GOT THE 19 -- I GUESS IT'S HIDDEN BEHIND THERE. THE LOAN TO THE FIRST NATIONAL BANK OF DALLAS SHOULD HAVE BEEN -- THAT LOAN IS IN THE PROPERTY SETTLEMENT AGREEMENT. IT IS VERY SPECIFICALLY LISTED THERE -- IT IS VERY SPECIFICALLY LISTED THERE UNDER PARAGRAPH 5(A) AS A LOAN FROM THE FIRST NATIONAL BANK OF DALLAS IN THE SUM OF $50,000, WHICH WAS MRS. HANSEN'S LOAN, IN 1977, AFTER THAT OBLIGATION WAS INCURRED.

BUT WHAT'S EVEN MORE IMPORTANT IS WHAT HAPPENS THE FOLLOWING YEAR, BECAUSE THAT SETS THE PATTERN. WHAT HAPPENS THE FOLLOWING YEAR, MAY OF 1978. NOW, YOU'VE HEARD TESTIMONY HERE THAT THE ETHICS IN GOVERNMENT ACT WAS FIRST ENACTED IN 1978. IT TOOK EFFECT -- THAT WAS THE FIRST YEAR THEY HAD FORMS: 1979. BUT IN 1978, THE HOUSE ETHICS COMMITTEE REQUIRED MEMBERS OF THE HOUSE TO LIST ASSETS AND LIABILITIES IN A SIMILAR FORMAT TO WHAT HAD BEEN -- WHAT WAS LATER REQUIRED IN THE ETHICS IN GOVERNMENT ACT. AND A WHOLE FLAP ENSUED OVER CONGRESSMAN HANSEN'S FAILURE TO LIST "TIN CUP CONNIE'S" ASSETS, AND LIABILITIES, MAINLY. IT HAD ALL BEEN IN THE PAPERS, "TIN CUP CONNIE." SHE WAS THE ONE WHO HAD GONE OUT AND COLLECTED ALL THIS MONEY BECAUSE OF THE LIABILITIES, AND

THOSE LIABILITIES WERE NOT ON THE ETHICS IN GOVERNMENT ACT FORM FOR 1978. AND IT WAS SUBSTANTIAL PRESS. YOU HEARD MR. MCKENNA TESTIFY ABOUT IT. MR. MCKENNA WASN'T YET EMPLOYED IN CONGRESSMAN HANSEN'S OFFICE, BUT HE WAS CALLED IN TO HELP ADVISE ABOUT THAT AT THAT TIME. AND HE AND MR. RUNFT TESTIFIED THAT EXACTLY WITH REGARD TO THAT QUESTION, THEY SAID, LOOK -- THEY WERE ASKED, THEY SAID IT DOESN'T BELONG ON THE FORM. WHY? THINK ABOUT IT FOR A MOMENT.

AND THIS IS WHERE--YOU KNOW, THE BEGINNINGS OF WHAT IS REALLY, I SUBMIT, AN OUTRAGEOUS CHARGE IN THIS CASE REALLY BEGINS, BECAUSE CONGRESSMAN HANSEN THEN IS IN A CATCH-22 SITUATION. HE HAS COME, AND WITH HIS LAWYERS' ADVICE, AND SAID, "O.K., MY WIFE CAN SOLICIT AND CAN TAKE THESE OBLIGATIONS UNDER THE SEPARATE PROPERTY AGREEMENT." AND THEN THE CONGRESS SAYS, "O.K. HERE ARE THESE FORMS WHICH YOU OUGHT TO FILL OUT."

AT THE TIME OF THE PROPERTY SETTLEMENT AGREEMENT, NOBODY WAS THINKING ABOUT FORMS. THEY WERE THINKING ABOUT, LOOK, AS MRS. HANSEN EXPLAINED, "HOW CAN I BE INDEPENDENT SO THAT I CAN TAKE CARE OF MY OWN FAMILY IN SOME WAY, SO I'M NOT BOUND BY THE RULES THAT TIE UP MY HUSBAND, THE CONGRESSMAN?"

THEY WEREN'T TALKING ABOUT REPORTING. BUT THE FOLLOWING YEAR, IT ALL COMES UP WITH A QUESTION OF A REPORT. BUT IF THE CONGRESSMAN WERE REQUIRED -- IF THE CONGRESSMAN ACTUALLY PUT THE DEBTS OF MRS. HANSEN ON HIS FORM IN 1978, HE WOULD BE SAYING "THOSE ARE MY DEBTS", AND THEY'RE NOT. UNDER THE

SEPARATION OF PROPERTY AGREEMENT, AS A MATTER OF LAW, IF THEY WERE TRANSFERRED TO MRS. HANSEN, THEY'RE HERS.

SO, THE LAWYERS SAW RIGHT THEN THAT YOU COULDN'T PUT THOSE THINGS ON THE FORM CONSISTENTLY WITH EVERYTHING THAT THEY HAD PREVIOUSLY ADVISED. AND THEY TOLD CONGRESSMAN HANSEN, AND YOU HEARD THEIR TESTIMONY -- AND THEY'RE HONEST AND UPSTANDING AND UPRIGHT LAWYERS, NO MATTER WHAT MR. WEINGARTEN SAYS. AND THEY SAID, "NO, YOU CAN'T PUT THOSE ON THE FORM. THOSE DON'T BELONG ON THE FORM. THEY'RE MRS. HANSEN'S AFTER THE PROPERTY SETTLEMENT AGREEMENT," IN MAY OF 1978, BEFORE THERE WAS EVEN AN ETHICS IN GOVERNMENT ACT. HE SAID, "O.K." HE DIDN'T PUT IT ON THE FORM. THERE WAS THIS ENORMOUS FLAP, AND THERE WAS A LETTER WRITTEN AT THAT POINT TO THE CHAIRMAN OF THE HOUSE ETHICS COMMITTEE, WITH COPIES SENT TO MEMBERS OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, INDEED TO ONE PERSON WHO IS STILL THE SENIOR MEMBER NOW, SENIOR MINORITY MEMBER OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, IN WHICH CONGRESSMAN HANSEN SAID, "LOOK, THAT PRIOR TO ARRANGING MY AFFAIRS, IN ORDER TO SATISFY THE REQUIREMENTS OF MY SITUATION," HE SAYS, "YOUR COMMITTEES WERE KEPT ADVISED AT ALL TIMES OF THE MANNER IN WHICH I PLANNED TO PROCEED, AND THEN OF MY WIFE'S INTENDED COURSE OF ACTION AND THE DETAILS OF HER DECISION."

AND THEN HE WENT ON TO TALK ABOUT THE SPECIFIC PROPERTY DIVISION AGREEMENT, WHICH WAS EFFECTIVE IN JUNE OF

1977. AND HE SAID, IN ADDITION, THE VERY LANGUAGE THAT MR. MCKENNA, I THINK, TOLD YOU ABOUT ON THE WITNESS STAND. MR. MCKENNA SAID: "LOOK, I THOUGHT NOT ONLY WAS THERE A PROBLEM -- NOT ONLY WAS HE ENTITLED NOT TO REPORT IT, BUT," MR. MCKENNA SAID, "LOOK, I THOUGHT IT MIGHT EVEN BE AN INVASION OF HIS WIFE'S PRIVACY IF HE WENT OUT AND REPORTED IT." AND THAT'S WHAT HE SAYS IN THE LETTER.

AND THEN HE SAYS, "I AM CONFIDENT THAT MY FILING, DONE CAREFULLY WITH ADVICE OF LEGAL COUNSEL, IS COMPLETELY IN ACCORD WITH THE APPROPRIATE RULES OF THE HOUSE AND IN ACCORD WITH THE COURSE OF ACTION OF WHICH WE HAVE KEPT YOUR OFFICE COMPLETELY ADVISED. AT THIS TIME, I RESPECTFULLY REQUEST CONFIRMATION OF THE VALIDITY OF MY REPORT."

NOW, THAT, THE HOUSE ETHICS COMMITTEE WAS FULLY ON NOTICE EXACTLY WHAT HAD HAPPENED, EXACTLY THE FACT THAT THESE VERY, VERY SAME -- WE ARE NOT EVEN TALKING ABOUT SIMILAR; WE ARE TALKING ABOUT THE SAME OBLIGATION OF MRS. HANSEN TO THE FIRST NATIONAL BANK OF DALLAS, WAS NOT ON THAT FORM IN 1978, AND THE CONGRESSMAN SAYS, "HERE ARE MY REASONS FOR IT," AND WHAT HAPPENS? DOES HE HEAR FROM THE HOUSE COMMITTEE, "LOOK, THAT'S NOT PROPER, THAT'S NOT RIGHT. THE SEPARATE PROPERTY AGREEMENT IS NO GOOD," MAYBE FOR THE REASONS THAT MR. SCOTT, WHO IS AN EXPERT -- AND WE WILL TALK ABOUT HIM IF WE HAVE SOME TIME -- WHO WAS THE EXPERT WHO TESTIFIED, FOR THE REASONS THAT MR. SCOTT SAYS? NO. THE HOUSE COMMITTEE

ACCEPTS IT, KNOWS IT; THAT'S FINE.

AND THEN ALONG COMES THE ETHICS IN GOVERNMENT ACT. THE ETHICS IN GOVERNMENT ACT WAS A LAW WHICH, AS MR. WEINGARTEN SAYS, HAD CERTAIN STANDARDS IN IT FOR WHEN YOU REPORT A WIFE'S INCOME. AND HE READ TO YOU AND HAS PREPARED A CHART OF THE THREE-PRONGED TEST, AS HE CALLS IT. BUT THAT'S PART OF THE SMOKESCREEN, TOO, BECAUSE FROM THE VERY BEGINNING OF THE CASE, LADIES AND GENTLEMEN, I THINK FROM MY OPENING STATEMENT, IT WAS CLEAR THAT THE CONGRESSMAN WAS NOT RELYING ON THAT THREE-PART TEST. IN FACT, THE QUESTION, WHENEVER IT WAS ON THE FORM, "ARE YOU AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD BY A SPOUSE WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE STANDARDS FOR EXEMPTION?" THE CONGRESSMAN HAD SAID "NO." AND MR. SCOTT, WHEN HE WAS ON THE WITNESS STAND, HAD TO ADMIT THAT THAT'S THE RIGHT ANSWER. IF YOU'RE NOT CLAIMING AN EXEMPTION BASED ON THIS, QUOTE, THREE-PART TEST, YOU'VE GOT TO ANSWER "NO" TO THAT QUESTION.

NOW, THERE IS A BOOK, HE SAYS, AND THE BOOK SAYS ON PAGE 20, "LOOK, IF THERE'S SOME OTHER REASON, DON'T SAY YES AND DON'T SAY NO, BUT WRITE IN N/A." THAT'S AN ORDINARY QUESTION IN ORDINARY ENGLISH, AND THE ANSWER IS THE RIGHT ANSWER. ALL THAT THE BOOK SHOWS IS THAT, CONTRARY TO WHAT THE PROSECUTION SAYS, PEOPLE DID THINK OF THE POSSIBILITY THAT THERE MIGHT BE SITUATIONS WHERE YOU WOULD NOT REPORT

A SPOUSE'S INCOME, BUT NOT BECAUSE IT DOESN'T MEET THE THREE STANDARDS FOR EXEMPTION, BUT FOR TOTALLY OTHER REASONS. AND IT WAS THOSE OTHER REASONS THAT MR. RUNFT RELIED ON AND MR. MCKENNA RELIED ON.

YOU HEARD TESTIMONY HERE FROM THE WITNESS STAND BY BOTH MR. RUNFT AND MR. MCKENNA THAT THEY TOLD CONGRESSMAN HANSEN THAT THERE WAS NO REQUIREMENT FOR HIM TO REPORT MRS. HANSEN'S INCOME OR OBLIGATIONS UNDER THE ETHICS IN GOVERNMENT ACT BECAUSE--THEY BOTH AGREED THAT ONE FACTOR WAS THAT THERE HAD BEEN A WHOLE HISTORY OF CORRESPONDENCE WITH THE HOUSE ETHICS COMMITTEE IN WHICH THE HOUSE ETHICS COMMITTEE WAS TOLD WHAT THIS WAS ALL ABOUT AND WHAT HAD BEEN HAPPENING IN THE PROPERTY SETTLEMENT AGREEMENT. AND THAT REASON, THAT FACTOR, LADIES AND GENTLEMEN, IS SPECIFICALLY ONE OF THE FACTORS THAT MR. RUNFT RELIED ON AND APPEARS IN HIS DIARY. I MEAN, YOU KNOW, THE INTERESTING THING ABOUT ALL THIS REALLY IS, YOU KNOW -- MR. WEINGARTEN REALLY IMPUGNS MR. RUNFT'S INTEGRITY IN ALL SORTS OF WAYS OVER HERE AND IS TRYING TO SUGGEST TO YOU THE WHOLE THING IS SORT OF HOKED UP IN SOME WAY. BUT THE AMAZING THING IS, YOU KNOW, IN CASES OF THIS KIND, WHEN YOU LOOK AT THE PAPER, LOOK AT THE DOCUMENTS THAT WERE DONE AT THE TIME, THERE'S NO WAY YOU CAN CHANGE THAT. IN MAY OF 1978, JOHN RUNFT'S BILL TO CONGRESSMAN HANSEN FOR SERVICES REPORTED ON THE CONVERSATIONS HE HAD HAD WITH CONGRESSMAN HANSEN AND WITH JIM MCKENNA ABOUT THESE VERY ISSUES. NOBODY HAS MADE

UP THOSE CONVERSATIONS. THEY HAPPENED, BECAUSE THEY WERE IN A BILL THAT HE SENT BACK IN MAY OF 1978.

AND THEN MAY OF 1979, THE ETHICS IN GOVERNMENT ACT. YOU SAW JOHN RUNFT HAD HIS DIARY THERE, AND IN EVIDENCE IS THE PICTURE FROM THE DIARY. AND THERE IT IS. THERE IT IS. IT'S SOMEWHAT REDUCED. WE DON'T HAVE THE ORIGINAL DIARY; HE HAS TAKEN IT BACK. BUT IF YOU LOOK AT IT RIGHT THERE, "RESEARCH 1978, ETHICS IN GOVERNMENT ACT. KEEP COMMITTEE ADVISED ON BASIS OF PREVIOUS LETTER RE PROPERTY SETTLEMENT AGREEMENT THAT CONNIE HANSEN'S FINANCIAL AFFAIRS WILL NOT BE REPORTED."

THAT WAS WHAT JOHN RUNFT WROTE IN HIS BOOK IN MAY OF 1979 ON THE BASIS OF RESEARCH THAT HE DID THEN, NOBODY IS MAKING THAT UP. THAT'S DONE THEN. IT'S DONE AT THE TIME.

SO ALONG COMES THE ETHICS IN GOVERNMENT ACT, AND THE LAWYERS ON WHOM CONGRESSMAN HANSEN CAN AND SHOULD RELY -- HIS FAVORITE LAWYERS? I SUPPOSE THEY'RE HIS FAVORITE LAWYERS. EVERYBODY RELIES ON HIS FAVORITE LAWYERS. YOU ONLY HIRE A LAWYER YOU TRUST; YOU PAY A LAWYER YOU TRUST. A RESPECTABLE LAWYER? DEFINITELY. TWO LAWYERS: MR. RUNFT AND MR. MCKENNA. MR. MCKENNA IS A MEMBER OF THE STAFF. MR. MCKENNA SPENT MANY YEARS UP IN NEW YORK, HE TOLD YOU, AS SURETY COUNSEL; HE WAS COUNSEL FOR THE HERITAGE FOUNDATION; HE WAS COUNSEL FOR A PUBLIC INTEREST LAW FIRM HERE. YOU SAW HIM. HE'S A GRUFF, PLAIN-SPEAKING MAN, NO QUESTION ABOUT

THAT. THEY'RE TWO DIFFERENT -- YOU KNOW, THEY'RE TWO DIFFERENT KINDS OF ATTORNEYS, TWO DIFFERENT KINDS OF PEOPLE. YOU KNOW, THE NICE THING ABOUT BEING A JUROR IS YOU SEE REALLY A CROSS-SECTION OF HUMANITY, AND YOU SEE TWO DIFFERENT KINDS OF PEOPLE. BUT DO YOU REALLY HAVE ANY DOUBT ABOUT THE INTEGRITY OF JOHN RUNFT AND OF JIM MCKENNA? AND THEY TOLD YOU THAT AT THAT TIME, IN 1979, THE CONGRESSMAN SAID TO THEM, AS I SUPPOSE YOU WOULD HAVE HAD TO EXPECT THE CONGRESSMAN TO SAY -- LISTEN, HE'S BEEN IN ENORMOUS PUBLIC DISPLAY IN IDAHO OVER THIS WHOLE BUSINESS, EVERYBODY KNOWS ABOUT HIS DEBT, EVERYBODY KNOWS ABOUT THE FACT THAT HE HAS ASKED THE FEDERAL ELECTION COMMISSION, EVERYBODY KNOWS ABOUT THE FACT THAT THEY'VE SENT OUT THIS "TIN CUP CONNIE" LETTER AND THEY'VE COLLECTED $100,000 FOR A $372,000 DEBT, SO IT PAYS OFF A LITTLE BIT OF THAT. IS THERE ANY DOUBT IN YOUR MIND THAT SOMEBODY IN THE CONGRESSMAN'S POSITION AT THAT POINT, AFTER HE HAS CONSULTED WITH HIS LAWYERS IN '77 AND IN '78, IS GOING TO CONSULT WITH HIS LAWYERS IN '79? AND HE SAYS TO THEM, "WHAT SHOULD WE DO ABOUT MRS. HANSEN'S DEBTS OR ASSETS?" AND THEY SAY TO HIM WHAT THEY'VE BEEN SAYING ALL ALONG: "IT'S NOT YOURS UNDER THE PROPERTY SETTLEMENT AGREEMENT; AS A MATTER OF LAW IT'S NOT YOURS; DON'T REPORT IT." AND HE DOESN'T REPORT IT. AND IN COMES THE GOVERNMENT AND SAYS IT'S A CRIME BECAUSE HE TRIED TO DECEIVE SOMEBODY. NOW, COME NOW.

THE JUDGE WILL INSTRUCT YOU AS A MATTER OF LAW THAT

SOMEONE IS ENTITLED TO RELY ON ADVICE OF AN ATTORNEY IF HE GIVES THE ATTORNEY ALL THE RELEVANT FACTS. IT'S INTERESTING. MR. WEINGARTEN, WHEN HE SAID THAT TO YOU THIS MORNING, SKIPPED THE WORD "RELEVANT." RELEVANT FACTS. WHAT IS IT THAT WAS RELEVANT AT THE TIME? THEY KNEW THAT THERE HAD BEEN A SEPARATE PROPERTY AGREEMENT; THEY KNEW THAT MRS. HANSEN WAS HAVING SEPARATE ASSETS AND LIABILITIES. DID THEY HAVE TO KNOW THAT IT GREW OUT OF A SOYBEAN TRANSACTION? SOYBEANS WERE IRRELEVANT. WHETHER IT WAS THE DALLAS BANK OR THE FIRST SECURITY BANK OF IDAHO OR SOME OTHER BANK, THAT MADE NO DIFFERENCE; THAT'S NOT A RELEVANT FACT.

SO, THE LAWYERS KNEW THE RELEVANT FACTS AND THEY SAID, "YOU DON'T REPORT IT ON YOUR RETURN."

I HAVEN'T EVEN USED THE WORD "REASONABLE DOUBT", AND I'M REALLY FEELING BADLY, BECAUSE I'VE GONE THROUGH ALL THESE VARIOUS THINGS, AND EVERY STEP OF THE WAY, LADIES AND GENTLEMEN, IS A REASONABLE DOUBT. EVERY STEP OF THAT WAY OUGHT TO GIVE YOU REASONABLE DOUBT TO BELIEVE WHETHER THE CONGRESSMAN HAD BAD INTENT.

THE JUDGE WILL INSTRUCT YOU, THIS IS A CASE WHERE YOU CAN FIND SOMEBODY GUILTY ONLY IF THE PERSON DELIBERATELY, WILLFULLY, KNOWINGLY, WITH SPECIFIC INTENT TO VIOLATE THE LAW, DROPPED THAT OUT OF THAT FORM. ONLY IF THE CONGRESSMAN DROPPED IT OUT NOT ON THE ADVICE OF A LAWYER, BUT OMITTED IT BECAUSE HE WANTED TO DECEIVE THE HOUSE OF REPRESENTATIVES --

-- DECEIVE THE HOUSE OF REPRESENTATIVES? THE HOUSE OF REPRESENTATIVES HAD GOTTEN A STACK OF LETTERS FROM HIM ABOUT THIS. WHO WAS DECEIVING WHAT? HOW WAS HE DECEIVING THE HOUSE OF REPRESENTATIVES BY NOT PUTTING THAT IN THE FORM FOR 1979?

ALL RIGHT. LET'S GO BACK FOR A MOMENT, THEN, ONCE WE'VE GOTTEN TO 1979, AND LET'S LOOK AT THE FACTS THAT LED UP TO IT. AND HERE WE BEGIN TO SEE -- HERE WE BEGIN TO SEE THE SMOKESCREEN. MR. WEINGARTEN AND THE GOVERNMENT HAS GONE THROUGH A SUBSTANTIALLY ELABORATE EFFORT NOT TO FOCUS ON WHAT WAS ON THAT RETURN, BUT, INSTEAD, TO HAVE YOU CONCLUDE THAT THERE MUST BE SOMETHING IMPROPER BECAUSE OF WHAT NELSON BUNKER HUNT DID IN 1977. AGAIN, I ASK YOU FOR A MINUTE, WHEN YOU ARE LOOKING AT 1977, TO STAND BACK FROM THOSE TREES AND LOOK AT THE FOREST. THE FOREST IS THAT IN 1977, WHATEVER NELSON BUKER HUNT DID, HE LEFT MRS. HANSEN WITH A LIABILITY TO PAY THE FIRST NATIONAL BANK OF DALLAS $50,000 PLUS SUBSTANTIAL INTEREST WHICH HE, NELSON BUNKER HUNT, NEVER FORGAVE, IS STILL SEEKING TO COLLECT, AND, AS MR. MCKENNA HAS TESTIFIED, WILL PROBABLY COLLECT ONCE THE TRIAL IS OVER.

WHAT KIND OF A FAVOR WAS MR. HUNT DOING? BUT THE WHOLE QUESTION OF A FAVOR, LADIES AND GENTLEMEN, HAS GOT TO BE IRRELEVANT. YOU KNOW -- I'LL DISCUSS IT BECAUSE THERE'S BEEN SO MUCH EVIDENCE ON IT. AND, YOU KNOW, THE GOVERNMENT GOES TO SO MUCH -- SO TO SOME EXTENT, I GET CONCERNED THAT -- ALTHOUGH I RELY ON YOUR GOOD SENSE AND I RELY ON YOUR GOOD

JUDGMENT AND I RELY ON THE FACT THAT YOU ARE NOT GOING TO BE LED THROUGH EACH ONE OF THESE SILLY BY-WAYS THAT THE GOVERNMENT IS TRYING TO GO THROUGH. BUT, STILL, YOU KNOW, WE GET CONCERNED: ARE PEOPLE GOING TO THINK, "GEE, THERE MUST HAVE BEEN SOMETHING WRONG, THERE MUST HAVE BEEN SOMETHING SUSPICIOUS." THERE WAS NOTHING WRONG, THERE WAS NOTHING SUSPICIOUS. THE GOVERNMENT TRIES TO MAKE IT APPEAR THAT WAY, AND THEY DO IT WITH ALL SORTS OF ELABORATE THINGS.

YOU ARE GOING TO GET AN INSTRUCTION FROM THE JUDGE, AND THE JUDGE WILL INSTRUCT YOU THAT WITH REGARD TO A CHART, THE CHART IS JUST DESIGNED TO BE HELPFUL. IF IT IS INACCURATE IN ANY WAY, YOU CAN CHOOSE TO DISREGARD IT. IT IS NOT, IN ITSELF -- THE EVIDENCE ARE THE DOCUMENTS, THE NOTES, ALL THOSE SORTS OF THINGS. THE GOVERNMENT PURPORTS TO PUT UP A CHART THAT'S HELPFUL. IS THAT CHART HELPFUL? WELL, IT'S INFLAMMATORY. IT IS DESIGNED TO MAKE YOU THINK, "MY GOD, THERE'S SOMETHING TERRIBLE AFOOT."

"NICHOLS ORDERS PURCHASE OF 50 SOYBEAN CONTRACTS: VALUE, $2,489,700." THAT'S A STAGGERING AMOUNT. TWO-AND-A-HALF MILLION DOLLARS. "MY GOD, WHAT'S GOING ON HERE? THERE'S A CONGRESSMAN WHO IS ENORMOUSLY IN DEBT AND HE'S GETTING TWO-AND-A-HALF MILLION DOLLARS IN SOYBEAN CONTRACTS." BUT YOU HEARD FROM THE WITNESS STAND, FROM EVERY WITNESS WHO HAD ANY KNOWLEDGE OF IT, FROM MR. MING, FROM MR. HUNT, THAT FIGURE IS MEANINGLESS. TWO-AND-A-HALF MILLION DOLLARS? NO, IT WASN'T TWO-AND-A-HALF MILLION DOLLARS. IT WAS A CONTRACT TO BUY SOMETHING -- TO BUY, OR TO HAVE SOYBEANS DELIVERED IN THE FUTURE. IT WAS LIMITED BY WHATEVER YOU WOULD MAKE OR LOSE WHEN YOU SOLD THAT CONTRACT. BUT PEOPLE DON'T BUY SOYBEAN CONTRACTS SO AS TO HAVE ALL THOSE BUSHELS SHOW UP. REMEMBER, MR. COLE ON OPENING STATEMENT TOLD YOU -- AND HE WAS VERY GRAPHIC ABOUT IT. I REMEMBER HIM STANDING HERE SAYING, "YOU CAN HAVE 250,000 BUSHELS OF SOYBEANS SHOW UP AT YOUR DOOR." WHAT DOES THAT HAVE TO DO WITH THIS CASE? WHAT DOES THAT HAVE TO DO WITH THIS CASE? NOBODY WAS HAVING 250,000 BUSHELS OF SOYBEANS SHOW UP.

WHAT HAPPENED? WHAT HAPPENED AT THE TIME? WHAT ACTUALLY HAPPENED IN '77? YOU HEARD MRS. HANSEN TESTIFY TO THE BEST OF HER RECOLLECTION AS TO WHAT HAPPENED. YOU HEARD MR. NICHOLS. HIS TESTIMONY WAS DIFFERENT IN ONE RESPECT, WHICH I THINK IT IS IMPORTANT, BUT IT IS, I SUBMIT TO YOU -- WITH ALL HIS APPARENT PRECISION, HE WAS JUST WRONG, BUT HE HAD WEDDED HIMSELF INTO A POSITION ON THAT. WHAT HAPPENED IN 1977 WAS THAT NELSON BUNKER HUNT, AFTER HAVING HEARD OF THE PLIGHT OF THE HANSENS, SAID, "O.K., I CAN HELP, BUT I WILL ONLY HELP MRS. HANSEN." THIS WAS TRUE THROUGHOUT HIS TESTIMONY, THROUGHOUT EVERYTHING YOU HAVE HEARD ABOUT HIM. WHEN MR. IRWIN TESTIFIED ABOUT WHAT MR. HUNT TOLD HIM, IT WAS ALWAYS THAT IT WAS MRS. HANSEN HE WAS HELPING. HE WAS VERY CAREFUL, VERY PRECISE. AND WHAT HE DID IS HE ARRANGED, WHETHER BY CALLING MRS. HANSEN FIRST, WHETHER BY CALLING MR. NICHOLS, THAT THERE SHOULD BE ADVICE AND THERE SHOULD BE PURCHASES OF SOYBEAN FUTURES WHICH MAYBE MRS. HANSEN WOULD BENEFIT BY SO THAT THEY WOULD BE ABLE TO RESOLVE PART OF THEIR FINANCIAL PROBLEM. THAT WAS HIS WAY OF HELPING.

WAS HE GIVING THEM MONEY? NO. WAS HE GIVING THEM THE SOYBEAN CONTRACTS? THE PROOF OF THE PUDDING, AS THE SAYING GOES, IS IN THE EATING. SHE DIDN'T GET ANYTHING; SHE ATE. SHE ATE THE LIABILITY, IS WHAT SHE ATE. MR. HUNT DID NOT SAY -- AFTER THOSE SOYBEAN CONTRACTS WENT BAD, MR. HUNT DID NOT SAY, "WELL, GEE, THAT WAS TOO BAD; I WAS TRYING TO HELP THIS POOR LADY, SO I'M GOING TO WRITE OUT A CHECK, CALL MR. NICHOLS AND SAY, 'LOOK, I'LL PAY FOR THIS.'" WHAT DID MR. HUNT SAY? "COME ON OUT, LITTLE LADY, TO DALLAS, AND YOU CAN SIGN A NOTE FOR $50,000 AT PREVAILING RATES OF INTEREST. I WILL GUARANTEE IT, SO YOU DON'T WORRY ABOUT THAT, BECAUSE I GOT YOU INTO THIS FIX, BUT YOU OWE THE $50,000." AND SHE WENT OUT TO DALLAS, NOT CONGRESSMAN HANSEN. WHENEVER MR. WEINGARTEN WANTS TO MAKE IT, YOU KNOW, APPEAR TO BE SOME KIND OF JOINT ACTION, HE SAYS, "WELL, THE HANSENS DID THIS." WITH REGARD TO DALLAS AND WITH REGARD TO CHICAGO, WHERE MRS. HANSEN HAD TO TRAVEL ALL BY HERSELF, OUT TO DALLAS, OUT TO CHICAGO TO PAY IT, HE DIDN'T MENTION THAT IT WAS MRS. HANSEN WHO TRAVELED TO DALLAS AND SIGNED THE NOTE. AND YOU HEARD MR. HENRY TESTIFY THAT IT WAS SHE WHO WAS OUT THERE, AND SHE TESTIFIED THAT IT WAS SHE

WHO WAS THERE, AND SHE TESTIFIED THAT SHE PAID THE BROKER IN CHICAGO. SO ALL THAT WAS MRS. HANSEN'S OBLIGATION.

"AH," SAYS MR. WEINGARTEN. "THE EXCESS OVER THE AMOUNT THAT WAS LOST IN THE SOYBEAN TRANSACTION, CONGRESSMAN HANSEN USED IT." AND THE ANSWER TO THAT IS: SO WHAT? OF COURSE HE DID. OF COURSE HE DID. YOU KNOW, THAT COMES BACK TO THE FACT THAT THE PROPERTY SETTLEMENT AGREEMENT DIDN'T FORBID THESE PEOPLE, WHO HAVE BEEN HAPPILY MARRIED ALL THESE YEARS, SINCE 1952, WHO HAVE FIVE CHILDREN, WHO HAVE GONE THROUGH THICK AND THIN TOGETHER -- IT DIDN'T SAY TO THESE PEOPLE, "LOOK, MRS. HANSEN. IF YOU MANAGE TO GET A LOAN UNDER WHICH YOU GET $17,000 MORE THAN WHAT YOU'VE LOST, YOU'VE GOT TO GO OUT AND BUY YOURSELF A FUR COAT WITH THAT OR YOU'VE GOT TO GO OUT AND DO SOMETHING WHICH WILL ONLY BENEFIT YOU." THAT'S NOT WHAT THE PROPERTY SETTLEMENT AGREEMENT WAS DESIGNED TO DO. THAT'S NOT WHAT ANYBODY REMOTELY SUGGESTED IT DID DO OR SHOULD DO, EXCEPT MR. WEINGARTEN. HE WANTS TO READ IT THAT WAY.

AND THEN HE SAYS TO YOU, "HEY, THEY DIDN'T CARRY OUT WHAT I THINK THEY SHOULD HAVE CARRIED OUT UNDER THE PROPERTY SETTLEMENT AGREEMENT." BUT THAT'S NOT WHAT THE LAWYER, THAT'S NOT WHAT MR. RUNFT SAID THEY SHOULD HAVE DONE UNDER THE PROPERTY SETTLEMENT AGREEMENT. THAT'S WHAT MR. WEINGARTEN THINKS OUGHT TO BE DONE UNDER THAT AGREEMENT.

SO WHAT WAS WRONG WITH THE TRANSACTIONS IN 1977?

AGAIN, IT WASN'T MILLIONS. THE ONLY DIFFERENCE -- AND IT IS AN IMPORTANT DIFFERENCE IN TERMS OF APPEARANCE, I SUPPOSE. MR. NICHOLS TESTIFIES -- AND THE QUESTION IS DO YOU BELIEVE IT. I MEAN THIS IS BACK IN '77 -- HE HAD ONE CONVERSATION WITH MRS. HANSEN AND MAYBE HE DIDN'T EVEN HAVE THAT, BECAUSE HE SAID MAYBE SOMEBODY ELSE TOOK DOWN ALL THIS INFORMATION ABOUT HER ADDRESS AND SOCIAL SECURITY NUMBER. AND THEN, ALTHOUGH THE TRANSACTIONS TOOK PLACE OVER A PERIOD OF A WEEK-AND-A-HALF, APRIL 20TH, APRIL 22ND, APRIL 25TH TO 29TH, HE NEVER TALKED TO HER AGAIN.

NOW, MRS. HANSEN TESTIFIED THAT SHE DISTINCTLY RECALLED MR. NICHOLS AND RECALLED HIS NAME. AND SHE TESTIFIED SHE TALKED TO HIM SEVERAL TIMES.

AND MR. NICHOLS WAS IN A VERY DIFFICULT POSITION, I PUT TO YOU, BECAUSE HE HAD TOLD THE GOVERNMENT, AND THE GOVERNMENT WAS TRYING TO MAKE A BIG ISSUE ABOUT IT, THAT HE HAD ONLY TALKED TO MRS. HANSEN ONCE, SO THAT IT APPEARED AS IF BUNKER HUNT WAS DOING EVERYTHING. BUT IT WASN'T REALLY UNTIL HE GOT ON THE WITNESS STAND, I THINK, THAT HE REALIZED THAT IF HE DID THAT, THEN WHAT HAPPENED IS HE HAS BEEN TRADING IN MRS. HANSEN'S MONEY FOR A FULL WEEK, FROM APRIL 25TH TO 29TH, WITHOUT EVER TALKING TO HER. AND IF YOU WILL RECALL MR. NICHOLS -- AND I THINK THIS IS IMPORTANT -- I ASKED MR. NICHOLS: "LOOK, YOUR TESTIMONY OR RECOLLECTION WAS PRETTY FUZZY OR HAZY BEFORE THE GRAND JURY." HE SAID, "YEAH, I GUESS

IT WAS." AND I SAID, "YOU REALLY ARE RECALLING THINGS ON THE BASIS OF WHAT YOU THINK YOU PROBABLY WOULD HAVE DONE." AND HE SAID, "YEAH, THAT'S RIGHT. AND I LOOK AT THE DOCUMENTS AND THINGS LIKE THAT."

MR. NICHOLS, I PUT TO YOU, DIDN'T RECALL THAT HE TALKED TO HER ONCE. HE HAD TOLD THAT TO THE GOVERNMENT. THE GOVERNMENT PROSECUTORS MADE A BIG TO-DO ABOUT IT. THEY PUT HIM ON THE WITNESS STAND TO TESTIFY TO THAT. BUT IT IS JUST NOT CONSISTENT WITH HIS CHARACTER -- YOU'VE SEEN HIM -- THAT THAT MAN, WHO SAYS, "LOOK, I'M REALLY VERY IMPORTANT, I'M A MEMBER OF THE BOARD OF DIRECTORS OF THE CHICAGO BOARD OF TRADE AND HERE AND THERE AND THE OTHER PLACE" -- THAT THAT MAN WOULD HAVE TRADED IN MRS. HANSEN'S -- WITH MRS. HANSEN'S $51,000 FOR THAT FULL WEEK. WITHOUT EVEN CALLING UP THE LADY AND SAYING, "YOU KNOW, I BOUGHT SOME SOYBEAN CONTRACTS, IT'S GOING DOWN; I'M GOING TO HOLD IT A WHILE. I BOUGHT IT, IT'S GOING DOWN, I'M GOING TO HOLD IT A WHILE."

NOW, DON'T GET ME WRONG. I'M NOT SAYING THERE WAS ANYTHING MORE THAN THAT. NOBODY HAS EVER SUGGESTED -- YOU SAW MRS. HANSEN TESTIFY ON THE WITNESS STAND, AND SHE SAID SHE'S NOT AN EXPERT IN SOYBEAN -- IN COMMODITIES FUTURES. NOBODY HAS SUGGESTED SHE IS AN EXPERT IN COMMODITIES FUTURES AND SHE WAS CALLING ALL THE SHOTS. SHE JUST SAYS, "LOOK, HE KEPT ME ADVISED AND I SAID O.K." AND IT WAS A REASONABLE WAY THAT SOMEBODY COULD HELP HER, COULD HELP A WOMAN WHO, I SUBMIT TO YOU, WAS REALLY IN VERY MANY WAYS -- I PUT TO YOU A MODEL, REALLY, OF A CONGRESSMAN'S WIFE. SHE COMES IN, SHE WORKS IN HIS OFFICE FOR NOTHING, FULL-TIME, RUNS THE OFFICE, TAKES A POSITION THAT SHE TESTIFIED IS FIFTY THOUSAND, AND CERTAINLY AT LEAST $50,000 WORTH. AND SHE ASSISTS HIM, SHE HELPS HIM. AND WHAT HAPPENS IS, ON THE BASIS OF THAT -- I THINK YOU HEARD MR. HUNT READ FROM HIS OWN STATEMENT THAT IT WAS ON THE BASIS OF THAT -- HE TOLD THAT TO THE PROSECUTORS WHEN THEY CAME TO SEE HIM. IT WAS ON THE BASIS OF KNOWING THAT INFORMATION, HE SAID, "THIS IS A REALLY FINE LADY, AND I THINK I'M GOING TO HELP HER. AND I THINK I'M GOING TO HELP CONGRESSMAN HANSEN." AND HE DID. NOW, WHAT'S WRONG WITH IT? WHAT'S WRONG WITH IT? NO LAW WAS VIOLATED, NO PRINCIPLE OF ETHICS WAS VIOLATED. THERE WAS ABSOLUTELY NOTHING WRONG WITH IT.

NOR WAS THERE ANYTHING WRONG WITH THE SILVER TRANSACTION. AGAIN, WHAT DOES THE GOVERNMENT DO WITH THE SILVER TRANSACTION? $3,877,000. I SAY TO MR. MING, "DOES THAT NUMBER MEAN ANYTHING?" HE SAID, "IT'S IRRELEVANT." I THINK HE SAID IT'S "IRREVELANT", REALLY, IF I RECALL CORRECTLY. BUT IT WAS IRRELEVANT, HE SAID. IT HAS NOTHING TO DO WITH ANYTHING. THAT NUMBER IS JUST INFLAMMATORY. AND SO THEY PUT IT UP THERE, AND THEN THEY SAY, O.K., CONTRACTS THEN WERE SOLD TWO DAYS LATER FOR A NET PROFIT OF 87,000. WAS THAT MRS. HANSEN'S PROFIT? I SUBMIT TO YOU IT WAS MRS. HANSEN'S

PROFIT, NOMINALLY, AND I SUBMIT ALSO, BECAUSE MR. MING TESTIFIED THAT HE SPOKE WITH MRS. HANSEN. HIS OWN HANDWRITTEN RECORDS, CONTEMPORANEOUS HANDWRITTEN RECORDS ON PAGES FROM A NOTEBOOK, YOU KNOW, THAT HE SAYS HE KEPT BEFORE HIM. AND WHAT DO YOU HAVE? WHAT DO YOU HAVE THERE? IT SAYS 8:57 ON THE DAY THAT THE CONTRACTS WERE SOLD, JANUARY 18TH, "MRS. HANSEN TOLD ME TO EXERCISE MY JUDGMENT NEXT" -- SOMETHING LIKE THAT -- "NOT HELD." MRS. HANSEN. SURE. ORIGINALLY HIS NOTES INDICATE THE NAME GEORGE HANSEN. HIS TESTIMONY IS THAT MR. HUNT TOLD HIM TO CALL GEORGE HANSEN. HE WAS PRETTY DEFINITE. I TRIED TO -- I MUST SAY, I WAS UP HERE AND I SAID TO HIM, "LOOK, ARE YOU SURE YOU CALLED GEORGE HANSEN AND DIDN'T CALL MRS. HANSEN?" AND MR. MING IS NOT A MAN WHO IS GIVEN TO UNCERTAINTIES. HE SEEMED TO BE A MAN WHO IS PRETTY DEFINITE ABOUT EVERYTHING HE RECALLS, AND HE SAID, "YES, I CALLED GEORGE HANSEN." MAYBE SO.

MR. HUNT TESTIFIED, AND IT'S IMPORTANT TO BEAR THAT IN MIND -- MR. HUNT TESTIFIED THAT HE TOLD MING TO CALL MRS. HANSEN. MR. IRWIN TESTIFIED THAT WHEN MR. HUNT REPEATED THE STORY TO HIM, HE SAID MR. HUNT SAID CALL -- "I TOLD MING TO CALL MRS. HANSEN." MING SAYS, "HE TOLD ME CALL GEORGE HANSEN."

AGAIN I ASK THOSE TWO WORDS: SO WHAT? WHAT IF HUNT SAID CALL GEORGE HANSEN? MING SAYS, "I CALLED GEORGE HANSEN, AND WHEN I TALKED TO HIM, CONGRESSMAN HANSEN SAID, 'LOOK, I DON'T HAVE ANY PART OF THAT, I'M NOT INTERESTED, BUT MY WIFE IS.'" SO ALL THE REST OF THE TRANSACTIONS, UNDER ANY VERSION, WERE CONDUCTED WITH MRS. HANSEN. MING SAYS, "I CALLED MRS. HANSEN EVERY DAY." UNLIKE MR. NICHOLS, MR. MING SAYS, "I CALLED ON THE 16TH, I CALLED AGAIN ON THE 17TH, I CALLED AGAIN ON THE 18TH." HE WAS DOING WHAT A BROKER SHOULD DO. HE WAS KEEPING HER ADVISED, SAYING, "LOOK, WHAT DO YOU THINK? SHOULD I DO IT?" AND SHE WOULD SAY, "GOOD DR. MING," SHE WOULD SAY, "YES, PLEASE DO IT." AND HE DID IT. AND A PROFIT OF $87,000 RESULTED IN THE SILVER TRANSACTION, AS A RESULT OF MR. HUNT'S ASSISTANCE. AND IF, JUST IF THE GOVERNMENT IS RIGHT AND MR. HUNT SAID TO MR. MING, "CALL GEORGE HANSEN," WHAT DOES THAT HAVE TO DO WITH WHETHER A CRIME WAS COMMITTED BY NOT PUTTING THE PROFIT, THE PROCEEDS OF THAT SILVER TRANSACTION ON THAT ETHICS IN GOVERNMENT ACT FORM? WHAT HAS THAT GO TO DO WITH IT?

ALL THAT IT HAS TO DO WITH IS AGAIN THE SMOKESCREEN; LET'S YOU THINK THERE MUST BE SOMETHING WRONG WITH ALL THAT.

WHAT HAPPENS? THERE IS AN $87,000 PROFIT. AND WHAT'S DONE WITH THE $87,000 PROFIT? THE GOVERNMENT HAS SAID, AND WE STIPULATED, RIGHT, IT WENT INTO A BANK ACCOUNT, GEORGE HANSEN WROTE CHECKS, PUT IT FROM ONE BANK ACCOUNT INTO ANOTHER BANK ACCOUNT FOR GEORGE HANSEN, AND THE MONEY WENT THERE. AND CONGRESSMAN HANSEN USED THOSE PROCEEDS. AGAIN, THAT'S WHAT THE PROPERTY SETTLEMENT AGREEMENT CONTEMPLATED. OF

COURSE -- AND MRS. HANSEN SPECIFICALLY SAID -- SHE WAS ASKED, AND SHE SAID, AND IT APPEARS IN THE TRANSCRIPT, "I AUTHORIZED HIM TO USE IT. I AUTHORIZED HIM TO USE IT. IT'S PERFECTLY ALL RIGHT WITH ME." AND THERE'S NOTHING WRONG WITH THAT.

WHAT DID THEY DO? DID THEY HIDE THE $87,000? IN EVIDENCE, LADIES AND GENTLEMEN OF THE JURY, AS DEFENDANT'S EXHIBIT 86, IS THE PAGE OF THE TAX RETURN FOR 1979 FILED BY THE HANSENS. AND WHAT DOES IT SHOW? IT SHOWS ON THE SCHEDULE WHICH RELATES TO CAPITAL GAINS AND LOSSES, COMMODITY CONTRACTS, GROSS SALES PRICE, COST, PROFIT, $87,475. THERE'S NO CONCEALMENT. IT WAS RIGHT THERE ON THE TAX RETURN FOR THAT YEAR 1979, BECAUSE ON THE TAX RETURN, IT BELONGED ON THE TAX RETURN. LEGALLY YOU ARE REQUIRED, OF COURSE, TO PUT IT ON A JOINT TAX RETURN. THEY WEREN'T HIDING IT.

YOU KNOW, THERE'S AN INTERESTING POINT. AND IT COMES UP -- IT REALLY RELATES TO SOMETHING A LITTLE LATER. THERE'S THAT LETTER FROM THE ASSOCIATION OF CONCERNED TAXPAYERS ON CONGRESSMAN HANSEN'S SORT OF LETTERHEAD, CONGRESSMAN GEORGE HANSEN, HOUSE OF REPRESENTATIVES, AND IT HAS THIS WHOLE DIALOG OF THE TERRIBLE THINGS THE INTERNAL REVENUE SERVICE DOES. THEY SNOOP AND MAKE -- BECAUSE CONGRESSMAN HANSEN, AND WE'LL TALK ABOUT THAT IN A MINUTE, IS SOMEBODY WHO GOES IN, AS MR. MCAFEE SAYS, WHERE ANGELS FEAR TO TREAD. BUT THINK FOR A MOMENT. WE ARE TALKING ABOUT SOMEBODY'S MIND, WHAT'S IN HIS STATE OF MIND. CONGRESSMAN HANSEN, IT IS CLEAR FROM

THAT LETTER, FROM HIS BOOK, FROM EVERYTHING, BELIEVES THAT WHAT YOU GIVE TO THE INTERNAL REVENUE SERVICE, THE INTERNAL REVENUE SERVICE IMMEDIATELY USES AGAINST YOU FOR WHATEVER PURPOSE. IF HE PUT THAT ON HIS INTERNAL REVENUE SERVICE FORM, I PUT TO YOU THAT HE WAS CONVINCED THAT THE NEXT DAY IT WOULD GO TO THE PROSECUTOR, BECAUSE THAT'S WHAT THE INTERNAL REVENUE SERVICE WAS TO HIM. AND YET, IT'S DISCLOSED.

NOBODY IS HIDING THAT $87,000, LADIES AND GENTLEMEN. NOBODY IS CONCEALING IT, BECAUSE THERE'S NOTHING TO CONCEAL. THERE'S NOTHING THAT WAS DONE THAT WAS WRONG.

AND AGAIN, SMOKESCREEN. WHAT DOES MR. WEINGARTEN DO WHEN MR. HUNT GETS ON THE WITNESS STAND? HE SAYS TO HIM, RIGHT AT THE BEGINNING OF HIS TESTIMONY, "MR. HUNT, DO YOU OWN ANY SILVER MINES IN IDAHO?" MR. HUNT SAYS, "YES, YES. I OWN A SILVER MINE IN IDAHO." AND THEN WE DON'T HEAR ANYTHING MORE ABOUT THE SILVER MINE IN IDAHO. AND IF I HAD NOT ASKED -- IF I HAD NOT ASKED MR. IRWIN, WHO IS MR. HUNT'S LAWYER, WHAT ABOUT THAT SILVER MINE IN IDAHO -- MR. IRWIN SAID, "I KNOW ALL ABOUT IT. I'M THE LAWYER FOR BUNKER HUNT. GEORGE HANSEN HAD NOTHING TO DO WITH ANYTHING HAVING TO DO WITH THAT SILVER MINE; IT'S NOT IN HIS DISTRICT." HE WENT INTO A WHOLE EXPLANATION ABOUT IT.

IF I HAD NOT ASKED IVAN IRWIN THAT QUESTION, I SUBMIT TO YOU YOU WOULD BE HEARING NOW IN CLOSING ARGUMENT FROM MR. WEINGARTEN: HUNT HAD A SILVER MINE IN IDAHO, AND

THAT'S WHY HE ARRANGED THIS AND THAT. THE FACT IS, THERE WAS NOTHING. THE FACT IS THAT THERE WAS NO EXCHANGE FOR ANYTHING. THE FACT IS, AS MR. HUNT SAID OVER AND OVER AND OVER AGAIN, "I ASKED FOR NOTHING, I GOT NOTHING, I WAS OFFERED NOTHING IN EXCHANGE FOR HELPING OUT MRS. HANSEN. I HELPED HER OUT BECAUSE I THOUGHT IT WAS A SAD SITUATION AND BECAUSE" -- AND HE EXPLAINED, I THINK, A PERSONAL MOTIVE THAT WAS IMPORTANT TO HIM AND UNDERSTANDABLE TO HIM: BECAUSE MR. HANSEN WAS ATTACKED BY WAYNE HAYS, CONGRESSMAN WAYNE HAYS, WHO ALSO ATTACKED -- THIS IS MR. HUNT SPEAKING -- "MY FATHER." MR. HUNT'S FATHER WAS A MAN OF SOME NOTORIETY, AND WAYNE HAYS HAD ATTACKED HIM, SO HE FELT SYMPATHY FOR SOMEBODY WHO HAD GOTTEN INTO THIS FIX BECAUSE OF WHAT WAYNE HAYS HAD DONE. BUT THERE WAS NOTHING WRONG WITH IT.

O.K. WHAT DID MR. HUNT DO WITH REGARD TO ALL THESE THINGS, WITH REGARD TO THE OBLIGATION? WELL, IN 1980 -- DEFENDANT'S EXHIBIT 72, MR. HUNT SENDS ALONG -- HAS HIS LAWYER, MR. IRWIN'S FIRM, SEND A LETTER TO MRS. HANSEN DEMANDING PAYMENT ON THAT ORIGINAL SOYBEAN LOAN. NOW, MR. WEINGARTEN, I'M SURE, OVERSTATED IT IN A SORT OF EXCESS OF ZEAL, BUT MR. WEINGARTEN SAID: AFTER THAT LOAN WAS MADE, THERE'S NOT A SINGLE THING THAT MRS. HANSEN DID WITH REGARD TO THAT $50,000 LOAN; IT WAS ALL HANDLED BY CONGRESSMAN HANSEN.

IN FACT, HE HAS OVERLOOKED CERTAINLY EXHIBIT 9, WHICH IS A CHECK THAT MRS. HANSEN SENT FOR INTEREST ON THAT

LOAN SIGNED BY MRS. HANSEN. IT'S IN EVIDENCE, DEFENDANT'S EXHIBIT 9, JANUARY 4, 1979, FIRST NATIONAL BANK OF DALLAS, $1,120, SIGNED CONNIE S. HANSEN, INTEREST TO 5/26/78. SO SHE DID SEND IT OUT.

WHAT DID SHE DO? SHE HAD HER HUSBAND CALL THE BANK OFFICER, WHO WAS DUNNING HIM ABOUT IT, TO SPEAK WITH HIM, BECAUSE, AGAIN, AS SHE TESTIFIED, THERE WERE CONTINUING FINANCIAL PROBLEMS, THEY DIDN'T HAVE THE MONEY. SO WHAT? SO YOU HAVE YOUR HUSBAND SPEAK TO THE BANK OFFICER. IS THAT A CRIME? IS THAT EVIDENCE OF A CRIME? IS THAT ANYTHING THAT HAS GOT TO DO WITH A CRIME?

TIME IS RUNNING, LADIES AND GENTLEMEN, AND I'VE GOT TO GET TO OTHER ISSUES. MAYBE JUST WITH REGARD TO THOSE THREE COUNTS, COUNTS 2, 3 AND 4. LET ME JUST SUM IT UP. THEY ALL DEAL WITH MRS. HANSEN'S ASSETS OR LIABILITIES IN THOSE YEARS. THOSE QUESTIONS RELATING TO THE ASSETS AND LIABILITIES IN THOSE YEARS WERE ALL THE SUBJECT OF THE ADVICE THAT THE LAWYERS GAVE, RUNFT AND MCKENNA, ABOUT KEEPING THEM OFF THE FORM. THE TESTIMONY HAS BEEN UNEQUIVOCAL ON THAT FROM BOTH LAWYERS. IT WAS, MR. MCKENNA SAID, WELL ACCEPTED ALREADY IN THE CONGRESSMAN'S OFFICE THAT THERE WAS NO DOUBT ABOUT THE FACT THAT THAT WAS NOT GOING TO BE REPORTED.

THE PROSECUTORS WOULD LIKE TO READ THE LAW IN SOME OTHER WAY, AND THEY PUT AN EXPERT ON THE STAND WHO AT FIRST TESTIFIED IN A WAY THAT WOULD HAVE MADE YOU BELIEVE THAT

WHATEVER MR. RUNFT AND MR. MCKENNA WERE SAYING, THEY MUST HAVE BEEN ABSOLUTELY OUT OF THEIR MINDS -- COULDN'T HAVE BEEN SAID IN GOOD FAITH. BUT AFTER A LITTLE BIT OF QUESTIONING OF MR. SCOTT, WHO, YOU REMEMBER, WHEN HE FIRST GOT ON THE WITNESS STAND, MR. WEINGARTEN SAID TO HIM, "MR. SCOTT, DO WE KNOW EACH OTHER?" MR. SCOTT SAID, "YES." MR. WEINGARTEN SAID, "WELL, HOW DO WE KNOW EACH OTHER?" AND HE SAID, "WELL, YOU AND I WORKED TOGETHER FOR THE PUBLIC INTEGRITY SECTION OF THE CRIMINAL DIVISION. WE WERE IN THE SAME OFFICE, AND WE GOT TO BE FRIENDS."

THEY PUT AN EXPERT ON THE STAND WHO'S A FRIEND OF MR. WEINGARTEN'S. AND YOU WILL HEAR IN THE INSTRUCTIONS OF THE COURT THAT YOU CAN TAKE INTO ACCOUNT THE BIAS OR PREJUDICE THAT ANY WITNESS HAS TOWARDS ONE SIDE OR ANOTHER. AND HE FIRST TELLS YOU, WELL, THAT'S WHAT THE LAW MEANS. BUT THE MINUTE YOU START QUESTIONING HIM, HE HAS GOT TO AGREE THAT LAWYERS CAN ARGUE WITH HIM AND THEY CAN COME TO AN OPPOSITE CONCLUSION. AND THAT'S WHAT HE SAID. "WELL, MY LAW PROFESSOR SAYS THINGS ARE ARGUABLE." AND HE WAS RIGHT. IT CERTAINLY WAS ARGUABLE. BECAUSE THE PROVISION OF THE LAW THAT THEY DON'T PUT ON THEIR CHART -- THEY PUT THIS CHART UP AS IF THIS IS THE ONLY THING THAT'S RELEVANT. BUT THE PROVISION OF THE LAW THAT THEY DON'T PUT ON THEIR CHART -- AND I GUESS I INTERRUPTED THAT BEFORE WHEN I TALKED ABOUT THE HISTORY OF THE ETHICS COMMITTEE. MR. RUNFT SAYS, "LOOK, THIS DOESN'T

APPLY AT ALL", BECAUSE JUST BELOW THAT IN THE LAW, IF YOU READ DOWN TO THE NEXT SUBSECTION -- AND IT DOESN'T APPEAR ON THIS CHART BECAUSE THE GOVERNMENT DOESN'T PUT ON ITS CHART WHAT'S NOT GOING TO HELP IT. BUT IF YOU READ DOWN TO THE NEXT PROVISION, IT APPLIES TO PEOPLE WHO ARE SEPARATE. AND HE SAYS, "SEPARATE TO ME MEANS SEPARATE ECONOMICALLY, WHO HAVE SIGNED A SEPARATION OF PROPERTY AGREEMENT." AND MR. SCOTT HAD TO ADMIT WHEN I CONFRONTED HIM WITH IT, WITH THAT LITTLE LANGUAGE FROM THE REPORT, WELL, THAT'S ARGUABLE, THAT'S ARGUABLE.

AND AGAIN, THE JUDGE WILL INSTRUCT YOU THE QUESTION IS NOT -- FOR CONGRESSMAN HANSEN, THE QUESTION IS NOT WAS HIS LAWYER RIGHT OR WRONG. THE QUESTION IS: DID HE RELY ON IT IN GOOD FAITH. AND EVEN IF THE LAWYER WAS WRONG -- AND I'M NOT SAYING HE WAS, BUT EVEN IF THE LAWYERS WERE WRONG, HE WAS ENTITLED TO RELY ON IT.

LET US TALK NOW ABOUT THE FINAL COUNT, WHICH IS REALLY COUNT 1 IN THE INDICTMENT. THAT HAS TO DO WITH WHAT MR. WEINGARTEN SAYS ARE THE LOANS OF THE, QUOTE, VIRGINIA BOYS. AND AGAIN I PUT TO YOU, AND WE RAISED IT AT THE BEGINNING OF THE THING, QUESTION TO YOURSELF FOR A MOMENT, STANDING BACK FROM ALL THE TREES, WAS THERE A MOTIVE NOT TO LIST THE NAME OF CARL MCAFEE AND J. MEADE ON THAT FORM? AND I SUBMIT TO YOU THERE WAS NO MOTIVE, BECAUSE THOSE NAMES WOULD HAVE DONE NOTHING WITH REGARD TO THE HOUSE OF REPRESENTATIVES AT THAT TIME, IN 1982. THERE WAS A LITTLE BIT OF A GLIMMER

OF A SUGGESTION AT SOME POINT -- AND I DON'T RECALL WHERE IT WAS IN THIS TRIAL -- WHERE MR. WEINGARTEN OR MR. COLE WAS TRYING TO SUGGEST THAT: LOOK, SINCE MEADE IS A BAD FELLOW, HE WAS CONVICTED OF A CRIME, HE WAS INVOLVED IN ALL KINDS OF BANK SHENANIGANS, THEY DIDN'T WANT TO HAVE JOHN MEADE'S NAME ON THAT FORM. BUT THE DATE IS VERY IMPORTANT, LADIES AND GENTLEMEN. THE DATE IS VERY IMPORTANT. MAY 15TH, 1982, IS THE DATE THAT THAT FORM WAS SUBMITTED. AND I PUT TO YOU THAT IT WAS CLEAR FROM MR. MCKENNA'S TESTIMONY THAT ON MAY 15TH, 1982, NO ONE IN CONGRESSMAN HANSEN'S OFFICE OR CONGRESSMAN HANSEN HAD ANY IDEA WHATEVER THAT JOHN MEADE HAD DONE ANYTHING THAT WAS WRONG. THE FIRST THEY HEARD WAS A LETTER DATED MAY 17TH, 1982, WHICH DIDN'T ARRIVE UNTIL MAY 20TH, 1982, THAT SAID, LOOK, THE RECORDS HAVE BEEN SUBPOENAED. AND THEN MR. MCKENNA SAID, "WELL, I CALLED MR. REASOR, AND HE TOLD ME THAT MR. MEADE WAS IN TROUBLE. AND I TOLD IT TO THE CONGRESSMAN AND THE CONGRESSMAN WAS SHOCKED AT THAT POINT." SO THERE WOULD HAVE BEEN NO REASON ON MAY 15TH, 1982, NOT TO PUT MR. MEADE'S NAME ON THE FORM, EVEN IF ONE ASSUMES -- EVEN IF ONE ASSUMES THAT PUTTING THE NAME J. MEADE WITH A LETTER AFTER IT WOULD HAVE TIPPED SOMEBODY OFF THAT CONGRESSMAN HANSEN HAD GOTTEN A LOAN FROM SOME BANKER WHO WAS IN TROUBLE IN VIRGINIA. I SUBMIT TO YOU EVEN THAT IS AN UNLIKELY THING. BUT EVEN ASSUME THAT IS RIGHT. HE HAD NO REASON TO KNOW IT, BECAUSE THE LETTER DIDN'T COME UNTIL MAY 20TH. SO AGAIN, THERE IS NO MOTIVE, NO MOTIVE AT ALL WITH REGARD TO COUNT 1.

THERE'S MORE, THOUGH, EVEN IN TERMS OF THE FOREST, RATHER THAN THE TREES. CONSIDER TO YOURSELF THE PROBABILITY: IS IT LIKELY THAT A CONGRESSMAN WHO HAS BEEN IN SUBSTANTIAL CONTROVERSY OVER HIS FORM, HIS ETHICS IN GOVERNMENT ACT FORM WITH REGARD TO THE HOUSE ETHICS COMMITTEE, IS GOING TO GO IN 1982 AND NOT DISCLOSE THESE LOANS DELIBERATELY, IN ORDER TO CONCEAL THEM? NOW, YOU MAY SAY, WELL, MAYBE HE DID. MAYBE HE WANTED -- YOU KNOW, HE DIDN'T KNOW THAT THEY WERE LOOKING AT HIS ETHICS IN GOVERNMENT ACT FORMS. THERE'S A KEY PIECE OF EVIDENCE HERE, LADIES AND GENTLEMEN. THAT KEY PIECE OF EVIDENCE IS DEFENDANT'S EXHIBIT 88. IT'S A REPORT OF THE FEDERAL BUREAU OF INVESTIGATION WHEN THEY CAME TO INTERVIEW CONGRESSMAN HANSEN ON SEPTEMBER 24TH, 1981.

SEPTEMBER 24TH, 1981, THEY CAME TO HIM--THEY HAD BEGUN THE INVESTIGATION BACK IN APRIL OF 1981. THEY CAME TO HIM IN SEPTEMBER AND THEY SAID, "OH, WE'RE GOING TO ASK YOU SOME QUESTIONS." MR. MCKENNA WAS THERE; HE TESTIFIED THAT THE AGENTS ASKED. AND WHAT SPECIFICALLY DID THE AGENTS ASK? THEY SAID TO HIM: "WHY DID YOU NOT PUT ON YOUR FINANCIAL DISCLOSURE STATEMENT FOR 1979 THE SILVER COMMODITIES TRANSACTION WHICH YOU HAVE TOLD US ABOUT?" HE HAD TOLD IT ALL TO THEM AT THAT MEETING WITH THE ATTORNEY GENERAL, WHICH I WILL GET TO IN JUST A MINUTE. HE HAD TOLD IT ALL TO THEM, AND THEY SAID TO HIM, "CONGRESSMAN HANSEN, WHY DIDN'T

YOU PUT THAT ON YOUR ETHICS IN GOVERNMENT ACT FORM?" AND THE FBI REPORT -- AND THAT IS CONSISTENT WITH WHAT MR. MCKENNA SAID -- "HANSEN ADVISED HE HAD DISCUSSED THIS MATTER AT LENGTH WITH HIS ATTORNEYS JAMES MCKENNA AND JOHN RUNFT." BY THE WAY, THAT ADDITIONALLY SHOWS YOU THAT THERE IS NO REASON TO DOUBT WHAT MR. RUNFT AND MR. MCKENNA HAVE SAID FROM THE WITNESS STAND. FROM THE BEGINNING OF THIS INVESTIGATION, FROM SEPTEMBER OF 1981, THE CONGRESSMAN SAID TO ANYBODY WHO ASKED HIM, WHETHER IT WAS MR. WEINGARTEN, MR. COLE, MR. HOY, MR. -- ALL THE AGENTS, WHOEVER THEY WERE, I FORGET ALL THE NAMES. HE SAID, "I RELIED ON WHAT MR. MCKENNA AND MR. RUNFT TOLD ME." A CONSENSUS WAS REACHED AMONG THEM THAT BECAUSE OF A DIVISION OF PROPERTY THAT THEY OBTAINED IN THE STATE OF IDAHO, ANY TRANSACTIONS SOLELY ENTERED INTO BY HIS WIFE ARE NOT SUBJECT TO DISCLOSURE IN THE FINANCIAL DISCLOSURE STATEMENT.

THEN THEY SAID TO HIM, "WELL, WHAT ABOUT THE LOAN, THE $125,000 MARGIN CALL?" I HAVEN'T EVEN TALKED ABOUT THAT. I'M SORRY. AND MY TIME IS RUNNING OUT. YOU KNOW, THAT'S ANOTHER SMOKESCREEN. THE GOVERNMENT IS TRYING TO MAKE YOU BELIEVE THAT THERE'S SOMETHING WRONG WITH THAT $125,000 MARGIN CALL, AS IF THERE WAS SOMETHING SUSPICIOUS. "MY GOD, THERE WAS A $300 BANK ACCOUNT AND MR. CALDWELL WAS TOLD TO WRITE OUT A $125,000 CHECK." I SUBMIT TO YOU WHAT THE GOVERNMENT LAWYERS ARE DOING IS THEY'RE INSULTING YOUR INTELLIGENCE. YOU KNOW, THEY KNOW, EVERYBODY KNEW THERE WAS $125,000 WAITING

IN CHICAGO THAT AS SOON AS HE WROTE THAT CHECK OUT AND HE SENT IT OUT THERE, 125,000 WAS GOING TO COME BACK. NOBODY WAS WRITING OUT A BAD $125,000 CHECK. NOBODY WAS WRITING OUT AN OVERDRAFT. ALL THE BANK OFFICERS KNEW EXACTLY WHAT WAS GOING ON. BUT THEY WANT TO MAKE IT APPEAR SUSPICIOUS. THEY WANT MORE SMOKE. 125,000 -- "ONLY $300 IN THE BANK ACCOUNT, MR. CALDWELL, AND YOU WRITE OUT A $125,000 CHECK. ISN'T THAT TERRIBLE?" IT'S NOT TERRIBLE. IT IS WHAT ANY PRUDENT BUSINESSMAN COULD VERY WELL DO UNDER THOSE CIRCUMSTANCES WHEN HE KNOWS THE MONEY IS COMING RIGHT BACK. THEY TALKED TO THE BANKER; HE SAYS, "O.K."

BUT THEY COME TO CONGRESSMAN HANSEN AND THEY SAY, "WHY DIDN'T YOU PUT THAT ON YOUR FORM SEPTEMBER OF '81?" AND HE EXPLAINS TO THEM, "WELL, THE LOAN WAS OBTAINED ON MY WIFE'S BEHALF, AND THEN IT REALLY WAS MORE OF AN OVERDRAFT THAN AN ACTUAL LOAN." HE'S TRYING TO EXPLAIN TO THEM WHAT I THINK IS OBVIOUS TO EVERYBODY: IT WASN'T A LOAN. THEY ARE NOT CHARGING IT HERE AS A LOAN. AS FAR AS THE GOVERNMENT HAS GONE, THEY ARE NOT EVEN CHARGING THAT $125,000 AS A LOAN THAT WASN'T REPORTED, BUT HE HAD TO EXPLAIN IT.

SO HE KNEW THEY WERE LOOKING AT HIS ETHICS IN GOVERNMENT ACT FORM IN SEPTEMBER OF 1981 BECAUSE HE HAD GONE TO THE ATTORNEY GENERAL WITH THAT LETTER. AND I ASK YOU, LADIES AND GENTLEMEN. HE'S A CONGRESSMAN. HE WASN'T BORN YESTERDAY. HE'S NOT NAIVE, HE'S NOT A BABE IN THE WOODS.

WOULD SOMEBODY IN THOSE CIRCUMSTANCES, SEPTEMBER 1981, THE FBI COMES KNOCKING ON YOUR DOOR SAYING "WHY DIDN'T YOU PUT THAT ON YOUR FORM, WHY DIDN'T YOU PUT THAT ON YOUR FORM" -- WOULD HE THEN GO OUT IN MAY OF '82 AND SAY, "HEY, I GOT LOANS FROM MCAFEE AND FROM MEADE, I'M NOT GOING TO PUT THEM ON MY FORM"? SO WHAT? SO THE FBI SHOULD COME BACK AGAIN IN JUNE?

I HAVE TO REMIND YOU, THE ISSUE IS AGAIN -- AND HERE, SMOKESCREEN, SMOKESCREEN, SMOKESCREEN. THE ISSUE IS, AGAIN, NOT, YOU KNOW, HOW WERE THE LOANS HANDLED, HOW MUCH MONEY WAS THERE, DID THEY GIVE IT OFF TO ANOTHER BANK. THE ISSUE IS: WAS IT DELIBERATELY AND DECEITFULLY LEFT OFF THE FORM.

AND WHAT HAD HAPPENED BY MAY 15TH, 1982, BY THE DAY THAT FORM WAS FILLED OUT? WHAT HAPPENED BY MAY 15TH OF 1982 WITH REGARD TO THAT $135,000? I SUBMIT TO YOU, LADIES AND GENTLEMEN, BY THAT DATE, MAY 15TH, 1982 -- AND THERE'S THAT CHART THAT'S COVERED UP BACK THERE, AND I'M SORRY ABOUT THAT. $135,000 THAT WAS BORROWED FROM MCAFEE, FROM MEADE, HAD ALL BEEN WRITTEN OUT IN CHECKS FROM GEORGE HANSEN TO THE ASSOCIATION OF CONCERNED TAXPAYERS. AND PUT YOURSELF -- LAY TO ONE SIDE FOR A MOMENT THE DISCUSSION WITH JIM MCKENNA WHICH, IT SEEMS TO ME, AGAIN JUST BEARS OUT WHAT IS OBVIOUS. BUT PUT YOURSELF SIMPLY IN THE POSITION OF SOMEBODY WHO HAS BORROWED MONEY. NOW, THERE IS SOME QUESTION: HAS HE BORROWED

MONEY SAYING "ASSOCIATION OF CONCERNED TAXPAYERS"? NO. THERE'S NO QUESTION, THE NAME ASSOCIATION OF CONCERNED TAXPAYERS WASN'T MADE UP --

THE DEPUTY CLERK: EXCUSE ME, MR. LEWIN. YOU HAVE TEN MINUTES.

MR. LEWIN: I THINK I HAVE 15. I STARTED, MY RECOLLECTION, JUST A LITTLE BIT --

THE COURT: TEN.

MR. LEWIN: WELL, THE MAY 15TH -- MAY WE APPROACH THE BENCH FOR A MOMENT, YOUR HONOR?

THE COURT: YOU MAY.

(AT THE BENCH)

THE COURT: WE HAVE BEEN TRYING TO GIVE YOU THE ALERT SINCE THE 15-MINUTE LEVEL, BUT YOU WERE TALKING TO THE JURY.

MR. LEWIN: MIGHT I REQUEST, YOUR HONOR, THAT I JUST HAVE TEN MINUTES MORE? I DON'T BELIEVE I HAVE BEEN DUPLICATING.

THE COURT: TEN MINUTES IN ADDITION TO THE TEN?

MR. LEWIN: IN ADDITION TO THE TEN. OF COURSE, MR. WEINGARTEN WILL CERTAINLY BE ENTITLED TO THAT, ALSO.

THE COURT: OF COURSE HE'LL BE ENTITLED TO EQUAL TIME. I AM JUST CONCERNED WE ARE RUNNING INTO THE LUNCHTIME. I GUESS WE CAN. TEN MINUTES MORE, EACH SIDE. BUT, PLEASE, NO MORE THAN THAT.

WE WON'T BE GIVING YOU ANY MORE NOTICE THAN WE HAVE, SO THAT'S TWENTY MINUTES.

(IN OPEN COURT)

THE COURT: EACH COUNSEL WILL BE GIVEN AN ADDITIONAL TEN MINUTES TO WHAT HAD ORIGINALLY BEEN PROGRAMMED.

MR. LEWIN: THERE HAS BEEN SOME QUESTION AS TO EXACTLY WHAT WAS SAID TO MESSRS. MCAFEE AND MEADE IN THESE VARIOUS DISCUSSIONS, BUT THERE IS NO QUESTION THAT THE WORDS "ASSOCIATION FOR CONCERNED TAXPAYERS", THAT DIDN'T EXIST -- THOSE WORDS DIDN'T EXIST IN JULY OF 1982, LADIES AND GENTLEMEN, BUT YOU HEARD FROM MR. MCKENNA THE IDEA HAD STARTED LONG BEFORE. THE IDEA HAD STARTED WITH THIS BOOK, OR BEFORE THAT, WHEN PRECISELY CONGRESSMAN HANSEN, A MAN WHO GOES WHERE ANGELS FEAR TO TREAD, WHO WENT OFF TO TEHRAN, AS MR. MCAFEE HAS TESTIFIED, AT A TIME WHEN NOBODY WAS DOING THAT, AND LOOKING OUT FOR THE INTERESTS OF THE HOSTAGES -- WENT UP AND PICKED HIMSELF UP AND WENT OFF THERE. HE TAKES ON THE IRS, AND HE SAYS, "O.K., THE IRS IS GUILTY OF ABUSES, OF ARMED SEARCHES, OF HIT LISTS, OF DISCRIMINATION", EVERYTHING, WRITES A WHOLE BOOK ON THE SUBJECT, MAKES SUGGESTIONS IN TERMS OF LEGISLATION. THAT IDEA HAD STARTED LONG BEFORE.

THE GOVERNMENT PUT ON GARY JARMIN, WHO IS QUITE OBVIOUSLY, I THINK, A DISGRUNTLED EMPLOYEE OF THAT ORGANIZATION. HE WAS HIRED BECAUSE HE CAME TO THE CONGRESSMAN AT A TIME WHEN, ACCORDING TO MR. MCKENNA'S TESTIMONY, THE PROGRAM--

THE CONGRESSMAN AND HE HAD BEEN DISCUSSING THIS IDEA, AND ALONG COMES MR. JARMIN, WHO HAS SOME BACKGROUND, AND SO THEY HIRE HIM TO WORK ON IT. MR. JARMIN THINKS HE OUGHT TO RUN THE WHOLE THING, AND HE'S VERY UNHAPPY THAT HE'S NOT RUNNING THE WHOLE THING. AND HE SAYS TO YOU, "HEY, I HAD THIS IDEA IN AUGUST." IT'S CLEAR WHEN HE TESTIFIED ON CROSS-EXAMINATION THAT THE LEGISLATION WAS ALL BASED ON THIS AND THAT, AS HE PUT IT, HE WAS SURPRISED THAT THE CONGRESSMAN HADN'T COME UP WITH THE IDEA BEFORE.

BUT WHATEVER HAPPENS, MCAFEE AND MEADE ARE TOLD BY THE CONGRESSMAN, "I NEED MONEY FOR A BOOK. I NEED MONEY FOR A BOOK." AND THEY BOTH TESTIFIED -- THEY BOTH TESTIFIED THAT THEY WERE TOLD ABOUT AN ORGANIZATION. THEY WERE VERY VAGUE ABOUT WHAT THE ORGANIZATION WAS. MR. MCAFEE TESTIFIED ABOUT AN ORGANIZATION AND MR. MEADE SAID, "WHEN I WAS OFF -- WHEN THE CONGRESSMAN CAME DOWN TO VISIT ME, WE WENT OFF IN THE OTHER ROOM AND TALKED ABOUT THE ORGANIZATION THAT WAS GOING TO BE INVOLVED WITH THIS."

AND THE INTERESTING THING TO CORROBORATE ALL THAT, THE FACT THAT THE LOANS WERE BEING MADE FOR THE BOOK AND THE ORGANIZATION, IS THAT EVEN MR. JARMIN, THE GOVERNMENT'S WITNESS, SAYS THAT WHEN HE TALKED TO MR. HANSEN IN DECEMBER, HE SAYS, OF '81, CONGRESSMAN HANSEN SAYS, "I'VE ALREADY BORROWED THE MONEY." NOW, HE SAYS, "CONGRESSMAN HANSEN TOLD ME, 'I BORROWED THE MONEY AND COLLATERALIZED MY HOUSE FOR IT'", BUT WE KNOW FROM ALL THE OTHER DOCUMENTS THAT THE HOUSES WERE COLLATERALIZED TO THE HILT BEFORE THAT; SUBSTANTIAL MORTGAGES ON THEM.

SO HE WAS TELLING JARMIN, "I BORROWED THE MONEY." HE WASN'T GOING TO DISCLOSE TO HIM WHOM HE HAD BORROWED THE MONEY FROM, BECAUSE JARMIN WAS NOT BEING HIRED TO RUN THE ORGANIZATION, NOTWITHSTANDING WHAT JARMIN THOUGHT. BUT THE POINT IS, THE MONEY WAS BORROWED FOR THAT PURPOSE. THAT'S WHAT THEY UNDERSTOOD.

AND IT'S IMPORTANT, LADIES AND GENTLEMEN, IN THIS REGARD BECAUSE CONTRAST WHAT THE WITNESSES SAY ABOUT THE LOANS IN COUNT 1 FROM THE EVIDENCE YOU HEARD ON THE OTHER COUNTS, BECAUSE WHEN IT COMES TO MR. HUNT, YOU DON'T HEAR ABOUT A BOOK, YOU DON'T HEAR ABOUT A LEGISLATIVE PROJECT, YOU DON'T HEAR ABOUT A CORPORATION. WITH MR. HUNT, IT'S "I NEED IT TO PAY MY PERSONAL DEBTS." WITH MCAFEE AND MEADE, THE CONGRESSMAN -- NO, THERE IS NO TESTIMONY WHATEVER THAT THE CONGRESSMAN SAID, "I NEED IT TO PAY MY PERSONAL DEBTS." IF HE'S BEEN SAYING IT TO OTHER PEOPLE AND HE'S BEEN COLLECTING OR GETTING SOME ASSISTANCE, WHY WOULDN'T HE HAVE SAID IT TO MCAFEE AND MEADE? THE REASON IS BECAUSE HE WAS ASKING FOR THAT MONEY FOR THAT PROJECT. AND, AS MR. MCKENNA SAID, THAT PROJECT SIMPLY DID NOT GET OFF THE GROUND BECAUSE OF ONE REASON OR ANOTHER UNTIL MUCH LATER THAN THEY HAD EXPECTED. BUT WHEN YOU ARE CONSIDERING THE DATES OF THE LOANS, CONSIDER

THE STIPULATION ON THE DATES OF THE LEGISLATION, BECAUSE THAT IS WHAT MR. MCKENNA SAID IS VERY IMPORTANT. HE WANTED IT TIMELY WITH THE LEGISLATION. THE TAXPAYER PROTECTION ACT WAS INTRODUCED JULY OF 1981, AND IT WAS IN JULY OF 1981 THAT THE FIRST LOAN WAS REQUESTED FROM MCAFEE. THE OTHER BILL WAS INTRODUCED IN OCTOBER OF 1981, AND THEN IN NOVEMBER OF 1981 THE MEADE LOAN WAS ASKED FOR. BUT IN ALL THESE CASES, WHAT WAS NEEDED WAS A SUBSTANTIAL AMOUNT OF MONEY FOR THAT MAILING. AND THAT MAILING WENT OUT, AND IT WENT OUT WITH THE MONEY THAT GEORGE HANSEN HAD GOTTEN FROM THESE PEOPLE WHOM HE HAD BORROWED IT FROM.

NOW, MR. WEINGARTEN SAID, "WELL, LOOK, THERE WAS ANOTHER LOAN IN MARCH." BUT THAT OTHER LOAN -- I MEAN I TRIED TO PROVIDE A SIMPLE ANALOGY WHEN MR. MCKENNA WAS ON THE WITNESS STAND. IF I GIVE SOMEBODY -- I SAY TO MR. CAMPBELL, "HERE'S $10. I'LL SEE YOU NEXT WEEK; CAN YOU PLEASE GO DOWN TO THE BOOKSTORE AND BUY ME A CERTAIN BOOK?" MR. MCKENNA SAYS, "FINE" -- I MEAN, I'M SORRY, MR. CAMPBELL SAYS, "FINE." HE PUTS THE $10 IN HIS POCKET. HE IS NOT GOING TO THE BOOKSTORE -- IT TURNS OUT ALTHOUGH HE EXPECTED TO GO THAT AFTERNOON, HE DOESN'T GO UNTIL NEXT WEEK. HE KNOWS THAT I'M GOING TO BE SEEING HIM NEXT WEDNESDAY. NEXT TUESDAY, HE WALKS PAST THE BOOKSTORE, IT'S TIME FOR HIM TO BUY THE BOOK. HE HASN'T GOT THE $10 ANY MORE; HE SPENT IT ON SOMETHING ELSE. THE MONEY WENT INTO HIS WALLET, HE WENT TO THE MOVIES, HE DID

SOMETHING ELSE. HE'S WALKING ALONG WITH MR. BRAGA, AND HE SAYS TO MR. BRAGA, "HEY, I'VE GOT TO BUY MR. LEWIN'S BOOK; CAN YOU LEND ME $10?" BRAGA SAYS, "SURE, HERE'S $10", GIVES IT TO HIM, HE GOES OUT AND BUYS THE BOOK, AND HE BRINGS IT BACK TO ME. CAN HE SAY -- IS THAT SPENDING MONEY TWICE? IS THAT WHAT THAT IS? OR HAS HE TAKEN MY $10 AND USED IT TO BUY THE BOOK? NOW, HE OWES MR. BRAGA THE TEN, AND LATER ON HE'LL PAY IT BACK TO HIM. BUT HE HAS TAKEN THE $10 GIVEN TO HIM AND BOUGHT THE BOOK.

I SUBMIT TO YOU IT IS NOT SPENDING THE MONEY TWICE; IT IS THE SAME MONEY. I SUBMIT TO YOU, AT THE VERY LEAST, YOU KNOW, IT IS NOT A BASIS FOR A CRIMINAL CHARGE. IT'S A REASONABLE DOUBT. BUT I SUBMIT TO YOU ON TOP OF ALL THAT, MR. MCKENNA TALKED TO HIM PRIOR TO THE TIME THAT HE FILED THAT FORM, AND MR. MCKENNA SAID, WITHOUT KNOWING THE LOAN -- RIGHT, WITHOUT KNOWING THE LOAN, BUT KNOWING THAT BACK IN SOMETIME IN '81 HE HAD BORROWED 135,000, AND IT WAS EXACTLY $135,000 THAT WENT IN, GIVE OR TAKE A COUPLE OF DOLLARS -- THAT WENT IN THERE, BUT IT WAS LISTED ON THE BOOKS OF A.C.T. AS 135,000. AND MR. MCKENNA SAID, "THERE'S NO REASON FOR YOU TO REPORT THAT, BECAUSE THAT WAS NOT A LOAN TO YOU; IT WAS A LOAN WHICH AS OF MAY 15, 1982, YOU PUT IN THE ASSOCIATION OF CONCERNED TAXPAYERS." AND I SAID TO MR. MCKENNA, "O.K., YOU DIDN'T KNOW ABOUT THE LOAN, BUT ASSUME," I SAID TO HIM, "THAT THERE WAS A LOAN OF $90,000. WOULD THAT HAVE

MADE ANY DIFFERENCE?" HE SAID, "NO." IT WASN'T IMPORTANT WHERE YOU GET THE MONEY FROM IMMEDIATELY. IT WAS IT WAS THAT MONEY THAT HE HAD PROMISED THESE PEOPLE HE WAS GOING TO PUT IN THE ASSOCIATION OF CONCERNED TAXPAYERS, AND HE PUT IT IN THERE. AND THAT'S WHY IT WAS NOT HIS OBLIGATION; IT WAS THE OBLIGATION OF THE ASSOCIATION OF CONCERNED TAXPAYERS, IN HIS MIND.

AND THEN MR. MCKENNA SAYS, "BESIDES THAT, THERE'S A MOTIVE. NOT A MOTIVE TO COMMIT A CRIME, BUT A MOTIVE, A REASON WHY, PERFECTLY LEGALLY, RATIONALLY, SENSIBLY. IF THERE WAS ANY DOUBT ON THAT QUESTION," MR. MCKENNA SAYS, "I WOULD TELL HIM NOT TO PUT IT DOWN, AND I DID TELL HIM NOT TO PUT IT DOWN, BECAUSE A.C.T. ASSURED EVERYBODY WHO CONTRIBUTED TO IT THAT THEY WOULD BE -- THEIR NAMES WOULD BE HELD CONFIDENTIAL." AND IT WAS IMPORTANT, AS HE EXPLAINED, TO KEEP THE NAME CONFIDENTIAL WHETHER THE INDIVIDUAL WANTED CONFIDENTIALITY OR NOT, BECAUSE IF YOU ONCE DISCLOSE -- AND THE FORM -- YOU SEE, THE INTERESTING THING ABOUT THAT '82 FORM WHICH DOESN'T APPEAR ON THERE, BUT YOU CAN LOOK AT THE THINGS IN EVIDENCE, IS THAT RIGHT UNDER THERE, ON THE SHEET, ACCORDING TO MR. MCKENNA'S ADVICE, APPEARS, "CHAIRMAN, ASSOCIATION OF CONCERNED TAXPAYERS", AND THE POSITIONS, BECAUSE THE CONGRESSMAN WAS DISCLOSING THAT, "THAT'S RIGHT, I AM THE CHAIRMAN OF THE ASSOCIATION OF CONCERNED TAXPAYERS AND ANYTHING THAT THEY ARE INVOLVED WITH, I'M INVOLVED WITH." SO IF WE'RE

TALKING ABOUT CONFLICTS OF INTEREST, THE CONFLICT OF INTEREST WAS DISCLOSED WITH REGARD TO THE ASSOCIATION OF CONCERNED TAXPAYERS RIGHT THERE ON THE FORM.

ALL RIGHT. MY TIME IS RUNNING, LADIES AND GENTLEMEN. I HAVEN'T EVEN MENTIONED TO YOU -- AND I'M SURE YOU'RE SITTING THERE AND SAYING, "COULD HE HAVE FORGOTTEN ABOUT IT? COULD HE HAVE FORGOTTEN ABOUT IT? WHAT ABOUT THE BLACKMAIL LETTER? HOW COULD HE NOT MENTION THE BLACKMAIL LETTER?" AND I DELIBERATELY WAITED UNTIL THE LAST MINUTE, REALLY, BECAUSE WHAT I WANT TO POINT UP TO YOU IS, IN TERMS OF REASONABLE DOUBT, THAT EVEN IF THIS WERE A CASE WHICH DID NOT HAVE THE WHOLE BLACKMAIL LETTER IN IT, IT WOULD BE SO FULL OF REASONABLE DOUBT AND SO FULL OF REASONS FOR YOU TO CONCLUDE THAT CONGRESSMAN HANSEN DID NOTHING WRONG THAT YOU WOULD BE REQUIRED TO RETURN A VERDICT OF NOT GUILTY. BUT ON TOP OF THAT, THERE IS THE BLACKMAIL LETTER. AND THE BLACKMAIL LETTER IS SO INSTRUCTIVE IN VARIOUS WAYS WHICH I'M GOING TO COVER IN THE NEXT EIGHT OR NINE MINUTES, BECAUSE THAT'S ALL THE TIME I HAVE LEFT.

THE BLACKMAIL LETTER COMES IN MARCH 31, AND IMMEDIATELY CONGRESSMAN HANSEN'S REACTION IS, "I'VE GOT TO GO AND REPORT THIS TO THE ATTORNEY GENERAL." NOW, YOU HEARD THE TESTIMONY. YOU HEARD THE TESTIMONY OF MR. HUNT AND MR. IRWIN THAT THERE WAS A WHILE WHEN THEY WERE THINKING OF NOT REPORTING IT. THEY THOUGHT MAYBE IT WAS AN APRIL FOOLS' JOKE.

IT IS JUST THREE YEARS AGO. IT'S KIND OF INTERESTING. I WAS THINKING THIS MORNING. APRIL 2, HERE WE ARE, JUST THREE YEARS AGO IS WHEN ALL THIS HAPPENED. THEY THOUGHT MAYBE IT WAS AN APRIL FOOLS' JOKE. "LET'S NOT BE SO SURE. MAYBE WE OUGHT TO REPORT IT TO THE LOCAL FBI." THE CONGRESSMAN SAYS, "NO. I WANT TO GO DOWN TO THE ATTORNEY GENERAL." HE GOES TO THE ATTORNEY GENERAL. BUT WHAT'S MOST INTERESTING -- AND THERE'S NO QUESTION ABOUT THE FACT THAT HE GOES AND HE DISCLOSES IT. BUT WHAT'S MOST INTERESTING ON TOP OF THAT IS THAT WHEN THE FBI COMES TO HIS OFFICE THAT AFTERNOON -- OR DOESN'T COME; I'M SORRY. THE FBI CALLS ON THE PHONE. YOU REMEMBER THIS TESTIMONY? MR. IRWIN SAYS, "LOOK, WE WERE SITTING THERE AND THE CALL CAME IN FROM THE FBI, 'WELL, WE'LL BE IN THERE A LITTLE LATER; CAN WE TALK TO YOU ON THE PHONE?'" MR. IRWIN SAYS, "NO, I CAN'T DO IT." THE CONGRESSMAN BECOMES ENRAGED, AND HE PICKS UP THE PHONE AND HE CALLS UP THE OFFICE OF THE ATTORNEY GENERAL AND HE SAYS, "I WANT SOMEBODY DOWN HERE NOW TO INVESTIGATE THIS THING, BECAUSE YOU'RE DOING AN AMATEURISH JOB."

NOW, MR. WEINGARTEN, WHEN MR. CARUSO -- WHO WAS A PROSECUTOR AND WHO HAS EVERY REASON TO BE SUSPICIOUS OF PEOPLE, HE WAS A PROSECUTOR THEN, AND HE'S A PROSECUTOR NOW IN NEW YORK, AND WE PUT HIM ON THE STAND SO THAT YOU WOULD EVEN HEAR FROM THE GOVERNMENT'S STANDPOINT ABOUT THAT MEETING. MR. WEINGARTEN SAID TO HIM, "HEY, ISN'T IT POSSIBLE THAT

THERE'S SOMETHING THAT'S LIKE A RACE TO THE PROSECUTOR THERE?"

IF IN FACT CONGRESSMAN HANSEN WERE TRYING TO COVER UP ANYTHING WITH THAT MEETING WITH THE ATTORNEY GENERAL, WOULD HE HAVE CALLED THE ATTORNEY GENERAL BECAUSE THE INVESTIGATION WAS AMATEURISH? HE WOULD HAVE BEEN DELIGHTED. JUST ASSUME FOR A MOMENT THAT THE WHOLE THING IS A FRAUD, A SHAM. HE HAS GONE TO THE ATTORNEY GENERAL SO IT WILL LOOK GOOD. WOULDN'T YOU BE DELIGHTED IF YOU WERE IN THOSE CIRCUMSTANCES AND THE FBI IS BOTCHING IT UP IMMEDIATELY; THEY'RE NOT SENDING SOMEBODY DOWN, THEY'RE GOING TO TREAT IT ON THE BACK BURNER? YOU HAVE MADE YOUR RECORD, YOU'VE GONE DOWN THERE, YOU'VE TOLD THEM, AND IT'S THEIR FAULT, THEY'RE NOT DOING ANYTHING. THAT'S NOT WHAT CONGRESSMAN HANSEN'S STATE OF MIND WAS. HIS STATE OF MIND IS: "WE'VE GOT TO TELL THEM. WE'VE GOT TO GET THE FBI DOWN HERE TO DO THE RIGHT KIND OF INVESTIGATION."

YOU KNOW, THERE'S A FAMOUS PLAYRIGHT -- I WAS GOING TO LOOK FOR MY QUOTE HERE IF I CAN FIND IT. A FAMOUS PLAYRIGHT WHO SAID, "INNOCENCE HAS NOTHING TO DREAD." AND THAT'S EXACTLY WHAT IT WAS. INNOCENCE HAS NOTHING TO DREAD. HE HAD NO FEAR, BECAUSE THERE WAS NOTHING THAT HE DID THAT WAS WRONG.

IT'S IMPORTANT, THOUGH, TO FOLLOW THAT SEQUENCE A LITTLE BIT LONGER, A LITTLE BIT BEYOND THERE. AND I'M SKIPPING OVER CERTAIN THINGS NOW BECAUSE I DON'T HAVE TIME, LIKE THE HYDROGEN CAR, WHICH IS A TOTAL HOAX AND A SMOKESCREEN.

AND YOU CAN'T FOR A MOMENT -- AGAIN, I VIEW THAT AS ANOTHER THING THAT IS AN INSULT TO YOUR INTELLIGENCE, FOR YOU TO BELIEVE THAT THE FACT THAT THE CONGRESSMAN GOES OVER FOR THE FIRST TWO MINUTES OF A MEETING IN JULY IS THE BASIS FOR HIS RECEIVING A $25,000 LOAN, SIMPLY BECAUSE HE GOES OVER THERE AND LEAVES. IF IN FACT THEY WERE GOING TO USE HIS INFLUENCE, THEY DIDN'T USE IT IN AUGUST AT ALL. YOU HEARD FROM THE ARMY PERSONNEL DIRECTOR, FROM DR. NORWOOD, THAT THE NEXT TIME THAT THEY HEARD FROM CONGRESSMAN HANSEN WAS OCTOBER 15TH. AND WHEN I ASKED HIM DID MEADE IN HIS THREE CONVERSATIONS WITH YOU EVER MENTION CONGRESSMAN HANSEN, HE SAID "NO."

THERE'S NOTHING THAT CONGRESSMAN HANSEN DID WITH REGARD TO THIS RIDICULOUS PROJECT OTHER THAN -- AND NORWOOD ADMITTED THIS -- REALLY GET ANGRY BECAUSE HE THOUGHT THAT THE EMPLOYEES WERE BEING PRESSURED. BUT CONSIDER WHAT HAPPENED. I WANT TO JUST -- IN THE FEW MINUTES I HAVE LEFT, CONSIDER WHAT HAPPENS AFTER THAT BLACKMAIL LETTER. WHAT HAPPENS AFTER THE BLACKMAIL LETTER IS THEY DO AN INVESTIGATION OF WHO IS THE BLACKMAILER, AND THEY FIND HIM. AND MR. IRWIN TESTIFIED, AND THERE'S A STIPULATION, TOO, THE BLACKMAILER IS SOMEBODY WHO HAD ONCE WORKED FOR MING COMMODITIES AND WROTE THIS LETTER. AND WHAT HAPPENS? HE'S CHARGED WITH A MISDEMEANOR, ACCORDING TO MR. IRWIN? HE DOES NOT GET ANY JAIL TERM? HE JUST GETS COMMUNITY SERVICE AS A PUNISHMENT, AND THAT'S IT.

AND WHAT HAPPENS NEXT? WHAT HAPPENS NEXT -- AND THIS

I DO HAVE TO READ TO YOU FROM THE TRANSCRIPT. WHAT HAPPENS NEXT IS MR. WEINGARTEN AND MR. COLE SHOW UP AFTER MAKING CALLS AND MAKING ARRANGEMENTS TO INTERVIEW CONGRESSMAN HANSEN. AND WHAT DO THEY SAY AT THE BEGINNING OF THE MEETING?

"IT IS JUNE 17TH, 11:00 A.M. HERE PRESENT ARE CONGRESSMAN GEORGE HANSEN OF IDAHO FALLS, AT 1125 LONGWORTH," HERE ARE THE OTHER PEOPLE PRESENT. "WE ARE HERE PURSUANT TO A REQUEST BY THE DEPARTMENT OF JUSTICE TO CONDUCT INTERVIEWS, WITH THE HOPE THAT THEY WOULD ADVANCE THE INVESTIGATION THAT BEGAN WHEN CONGRESSMAN HANSEN AND AN ATTORNEY FOR NELSON BUNKER HUNT BROUGHT A BLACKMAIL LETTER TO THE DEPARTMENT OF JUSTICE ON APRIL 6, 1981. FOR YOUR EDIFICATION, PURSUANT TO YOU BRINGING THAT LETTER, OF COURSE, WE BEGAN AN INVESTIGATION INTO THE BLACKMAIL. IT TOOK LONGER THAN WE HAD HOPED. THERE WERE SOME COMPLICATIONS. BUT THERE WAS WORK DONE IN THE GRAND JURY, SOME LOOKING AT RECORDS. A MONTH AGO, OR LAST MONTH, AN INDIVIDUAL NAMED ARTHUR EMENS PLED GUILTY TO BLACKMAIL IN THE DISTRICT OF COLUMBIA AND WILL BE SENTENCED NEXT MONTH.

"OBVIOUSLY, YOU HAVE SEEN THE LETTER. THE LETTER CONTAINS AN ALLEGATION THAT THERE WAS WRONGDOING BETWEEN YOU AND NELSON BUNK HUNT, AND WE ARE DUTY-BOUND, OF COURSE, TO FOLLOW UP ON THAT ONCE WE HAVE COMPLETED THE BLACKMAIL INVESTIGATION. THAT IS WHAT WE ARE DOING. WE CONCLUDED THAT. PERHAPS IT IS BEST NOW IF WE DEAL WITH YOU DIRECTLY AND HEAR

WHAT YOU HAVE TO SAY ABOUT THIS PARTICULAR TRANSACTION.

"SO, WITH THAT, I THINK WE ARE READY TO BEGIN, UNLESS YOU HAVE ANY QUESTIONS YOU WOULD LIKE TO ASK OF US."

CONGRESSMAN HANSEN SAYS: "I THINK THAT IS FINE."

AND THEN YOU HAVE MR. MCKENNA TESTIFYING, THEY SAT THERE AS LONG AS THEY WANTED. THEY ASKED CONGRESSMAN HANSEN EVERY QUESTION THEY COULD THINK OF; THEY ASKED MRS. HANSEN EVERY QUESTION THEY COULD THINK OF. THEY GOT FULL EXPLANATIONS, FULL ANSWERS, AS FROM THE BEGINNING: NO COVERUP, NO HIDDEN THING; NOTHING THAT WAS NOT DISCLOSED.

THE WORST THAT THEY HAVE BEEN ABLE TO DRAG OUT OF THAT LONG INTERVIEW IS THE QUOTE -- AND THEY COULD HAVE QUOTED TO YOU ANYTHING THAT CONGRESSMAN HANSEN SAID DURING THAT INTERVIEW, AND THE WORST THAT THEY'VE BEEN ABLE TO SAY IS THE QUOTE THAT MR. WEINGARTEN READ TO YOU, THAT WHEN HE ASKED CONGRESSMAN HANSEN AT ONE POINT IN THESE HOURS AND HOURS OF INTERROGATION, HE ASKED HIM WHAT ABOUT THE $87,000 PROFIT, WHAT WAS IT USED FOR, CONGRESSMAN HANSEN SAID, "I GUESS IT WAS USED TO PAY FOR DEBTS. I DON'T REALLY KNOW. I DON'T RECALL RIGHT NOW."

THAT'S THE MOST INCRIMINATING THING OF ALL THE THINGS, WITH THE FULL INTERROGATION, THE FULL INVESTIGATION INTO BRIBERY, THE FULL INVESTIGATION THAT THE FBI HAD HAD AND THAT IS SHOWN BACK IN SEPTEMBER OF 1981 BY THIS THING. AND THAT'S THE REWARDS. THAT'S THE REWARDS OF TAKING THE BLACKMAIL LETTER

AND BRINGING IT DOWN TO THE ATTORNEY GENERAL, IS THAT THE MAN WHO WRITES THE BLACKMAIL LETTER GETS COMMUNITY SERVICE; YOU DO AN INVESTIGATION IN WHICH YOU ARE ASKED, "WHY DIDN'T YOU PUT IT ON YOUR FORM", AND YOU TELL THE FBI, "I DIDN'T PUT IT ON MY FORM BECAUSE OF MY LAWYER'S ADVICE." YOU INVITE THE PROSECUTORS INTO YOUR OFFICE AND YOU TALK TO THEM FOR HOURS. THEY CAN'T FIND A SHRED OF EVIDENCE ON BRIBERY, THEY CAN'T FIND ANYTHING. BUT INSTEAD, WHAT THEY DO, WHEN THEY ARE FRUSTRATED AND THEY CAN'T FIND A SINGLE THING TO PROCEED ON, THEY DREDGE UP THE FORMS AND THEY SAY, "AHA, YOU LIED ON THE FORMS." LIED ON THE FORMS? HE DIDN'T LIE ON THE FORMS. BUT THAT'S THE CHARGE. OUT OF SHEER FRUSTRATION, THAT'S THE CHARGE THAT IS ULTIMATELY MADE AGAINST HIM, AGAINST CONGRESSMAN HANSEN. AND THAT'S WHAT FORCES HIM TO SIT HERE IN COURT, AND THAT'S WHAT FORCES YOU TO COME TO THIS COURT, AND THAT'S WHAT FORCES ME HERE AND BRINGS US ALL TOGETHER.

NOW, WE ARE PROBABLY NOT GOING TO SEE EACH OTHER AGAIN AFTER THIS, AFTER THIS CASE. YOU'LL GO YOUR WAY, I'LL GO MY WAY, I'LL HAVE OTHER CLIENTS, THE JUDGE WILL HAVE OTHER CASES. BUT THERE'S ONE PERSON IN THIS COURTROOM WHO IS LEFT WITH THE RESULT OF WHAT WE ALL ARE DOING HERE, AND THAT'S CONGRESSMAN HANSEN. AND I PUT TO YOU THAT ON THE BASIS OF THE RECORD THAT YOU HAVE IN THIS CASE, THERE IS A STENCH -- THERE IS A STENCH. BUT IT'S NOT A STENCH OF POLITICAL CORRUPTION. IT'S A STENCH -- IT'S A STENCH OF PERSONAL AMBITION.

IT'S A STENCH IN WHICH THERE IS AN EFFORT THAT HAS BEEN MADE TO BRING A CHARGE AGAINST THE CONGRESSMAN BASED ON NOTHING, ON ABSOLUTELY NOTHING. NOT JUST NOT BEYOND A REASONABLE DOUBT, BUT ANYTHING THAT IF YOU SIT BACK TO YOURSELVES AND YOU SAY WHAT IS THERE HERE? WHAT BASIS COULD THERE BE? THE MAN DIDN'T PUT ANYTHING IN HIS POCKET; HE DIDN'T DO ANYTHING THAT WAS IN ANY WAY CULPABLE. WHAT BASIS IS THERE FOR BRINGING THE CHARGE? AND I PUT TO YOU, LADIES AND GENTLEMEN, YOU SIT THERE IN THAT JURY BOX AND YOU GO OUT THERE IN THE JURY ROOM, AND IT'S YOUR DECISION TO MAKE ULTIMATELY, GUILTY OR NOT GUILTY, AND THERE'S A VERY LIMITED PARAMETER FOR YOU: GUILTY OR NOT GUILTY.

THERE IS A WAY -- AND I SAY IT TO YOU WITHOUT MEANING TO DEMEAN ANY OF THE EVIDENCE THAT IS HERE AND THE DOCUMENTS THAT ARE HERE, WHICH YOU SHOULD LOOK AT AND YOU SHOULD EXAMINE. BUT IF YOU BELIEVE -- IF YOU BELIEVE ON THE BASIS OF THE RECORD THAT YOU HAVE HEARD AND ON THE BASIS OF A DISPASSIONATE EVALUATION OF THE EVIDENCE THAT THERE REALLY IS NOTHING TO THIS CASE AND THAT IT REALLY IS OUTRAGEOUS THAT IT WAS BROUGHT, EVEN IF IT HAS BEEN HERE FOR TEN DAYS AND YOU'VE BEEN SEQUESTERED, YOU DON'T HAVE TO SIT OUT THERE FOR A DAY; YOU DON'T HAVE TO SIT OUT THERE FOR THREE HOURS. THE QUESTION IS THE INTENT OF THE CONGRESSMAN. AND IF YOU'RE SATISFIED --

THE DEPUTY CLERK: MR. LEWIN --

MR. LEWIN: -- THAT THERE IS A REASONABLE DOUBT ON THAT, YOU CAN GO OUT THERE AND YOU CAN BRING IN A VERDICT OF NOT GUILTY IN A MATTER OF MINUTES, AND THAT WILL SHOW WHAT YOU THINK ABOUT THIS CASE AND WHAT YOU THINK ABOUT WHAT THE PROSECUTORS HAVE DONE.

THANK YOU.

THE COURT: FIVE-MINUTE RECESS?

LADIES AND GENTLEMEN OF THE JURY, WE DID JUST BRIEFLY EXTEND THE TIME FOR THE ARGUMENT. WHY DON'T WE JUST TAKE A FIVE-MINUTE RECESS, REALLY FOR JUST STRETCHING OUR LEGS, COME BACK, WE'LL COMPLETE THE ARGUMENT; THEN WE WILL HAVE OUR LUNCHEON. ALL RIGHT?

REMEMBER THE ADMONITION NOT TO DISCUSS THE MATTER.

(SHORT RECESS TAKEN FROM 11:50 UNTIL 12:05 P.M.)

THE COURT: ALL RIGHT. SHALL WE BRING IN THE JURY.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: ALL RIGHT, LADIES AND GENTLEMEN. WE CLOSE THE ARGUMENT WITH THE GOVERNMENT.

MR. WEINGARTEN.

MR. WEINGARTEN: THANK YOU, YOUR HONOR.

LADIES AND GENTLEMEN: I HAVE THE OPPORTUNITY RIGHT NOW TO ANSWER MR. LEWIN. AND FEAR NOT, I WON'T ANSWER EVERYTHING HE SAID IN ALMOST TWO HOURS. AS A MATTER OF FACT, I WILL TAKE VERY LITTLE TIME AT ALL. AND I WON'T ANSWER SOME OF THE DIRECT REMARKS HE MADE ABOUT ME: THAT THIS PROSECUTION

IS A FUNCTION OF PERSONAL AMBITION. I RESPECTFULLY SUBMIT, LADIES AND GENTLEMEN, THAT'S NOT WORTHY OF A RESPONSE.

RATHER, I WILL CONGRATULATE MR. LEWIN ON HIS ELOQUENCE. HE IS A VERY ELOQUENT MAN, A BRILLIANT MAN, AND I THINK HE DID A VERY FINE JOB REPRESENTING HIS CLIENT.

I DID HAVE THE FEELING WHEN I WAS SITTING THERE, HOWEVER, LADIES AND GENTLEMEN, THAT AT TIMES MR. LEWIN WAS TALKING ABOUT A TRIAL THAT I DID NOT ATTEND. FOR EXAMPLE, HE CHALLENGES ME TO FIND WHERE IN CONNIE HANSEN'S TESTIMONY SHE DEMONSTRATED NO KNOWLEDGE AS TO THE IDENTITY OF THE LENDERS OF THE $372,000. WELL, IF YOU MAY RECALL, I WENT THROUGH A WHOLE LONG CONVERSATION WITH MRS. HANSEN ABOUT THE INTEREST SHE PAID ON THOSE LOANS, AND DEMONSTRATED RATHER CLEARLY THAT THEY DECLARED NO INTEREST DEDUCTIONS IN THEIR TAX RETURN FOR WHAT HAD TO HAVE BEEN AT LEAST $250,000. I GUESS BECAUSE MR. LEWIN DIDN'T MENTION THAT IN HIS CLOSING ARGUMENT, THAT MUST BE NORMAL, FOR PEOPLE TO GET A QUARTER OF A MILLION DOLLARS IN LOANS FROM THE GOOD PEOPLE OF IDAHO AND THEN PAY NO INTEREST ON THAT MONEY.

AND AFTER ALL THE TESTIMONY WITH MRS. HANSEN WAS DONE, I SAID, "MRS. HANSEN, WHAT LIABILITIES WERE THERE THAT ARE NOT REPRESENTED BY THE FINANCIAL STATEMENTS THAT YOU HAVE SEEN?" AND OBVIOUSLY, I WAS TALKING ABOUT THE FINANCIAL STATEMENTS THAT THEY SUBMITTED TO BANKS. THERE THEY PUT THEIR LOANS. THOSE FINANCIAL STATEMENTS ARE IN EVIDENCE.

I ASK YOU TO TAKE A LOOK AT THOSE FINANCIAL STATEMENTS. THOSE LOANS ARE CAREFULLY LISTED. MRS. HANSEN'S ANSWER? "MR. WEINGARTEN, THERE WERE NUMEROUS ONES, BUT I CAN'T RELATE IT ALL TO YOU RIGHT NOW."

MRS. HANSEN HAD HER OPPORTUNITY AT THAT TIME TO ANSWER THE QUESTION THAT WAS ON ALL OF OUR MINDS: HOW CAN YOU HAVE $372,000 IN PERSONAL LOANS AS THE CENTERPIECE OF YOUR PROPERTY SEPARATION AGREEMENT, AS THE REASON YOU ARE SOLICITING FUNDS, PAY NO INTEREST ON IT, AND NOT LIST THEM IN YOUR PROPERTY SEPARATION AGREEMENT?

MR. LEWIN TALKS ABOUT OWEN NICHOLS, OWEN NICHOLS MUST HAVE BEEN UNETHICAL; HOW COULD HE TRADE IN CONNIE HANSEN'S ACCOUNTS AND NOT TALK TO HER? VERY SIMPLE. NELSON BUNKER HUNT. $139 MILLION NELSON BUNKER HUNT WAS HIS CLIENT, AND IF NELSON BUNKER HUNT TOLD HIM TO JUMP, HE WOULD HAVE JUMPED; AND THAT'S EXACTLY WHAT HE DID. AND HE FELT NO OBLIGATION TO MRS. HANSEN BECAUSE, AS FAR AS HE WAS CONCERNED, THAT WAS A NELSON BUNKER HUNT TRANSACTION.

THE SILVER MINE, WHY DID I MENTION SILVER MINE WITH NELSON BUNKER HUNT? WAS THAT A CHEAP TRICK ON MY PART? I MENTIONED THE SILVER MINE BECAUSE I KNEW THE BLACKMAIL LETTER WAS GETTING INTO EVIDENCE, AND THE BLACKMAIL LETTER SAYS THAT'S WHY NELSON BUNKER HUNT BRIBED GEORGE HANSEN. OF COURSE THAT'S NOT TRUE. IVAN IRWIN CLEARED THAT UP. THAT WAS NO CHEAP TRICK. THAT WAS ANTICIPATING EVIDENCE THAT WAS COMING

LATER, AND MR. LEWIN KNOWS IT.

DAVID SCOTT, MY BUDDY, DAVID SCOTT. I WILL LEAVE THAT TO YOU. I'LL LEAVE THAT TO YOU. IF YOU THINK DAVID SCOTT TOOK THIS WITNESS STAND TWICE TO DELIBERATELY DECEIVE YOU, THE COUNSEL TO THE ETHICS PORTION OF THE EXECUTIVE BRANCH -- IF YOU THINK HE TOOK THE STAND TO DECEIVE YOU BECAUSE HE WORKED WITH ME YEARS AGO, YOU ARE ENTITLED TO DO IT. BUT I SUBMIT TO YOU, LADIES AND GENTLEMEN, IF YOU WANT TO KNOW WHAT THE ETHICS IN GOVERNMENT ACT SAYS, YOU ARE WELL ADVISED TO LISTEN TO DAVID SCOTT.

TALK ABOUT BIAS AND MOTIVE. DAVID SCOTT'S MY FRIEND FROM THE PUBLIC INTEGRITY SECTION OF YEARS AGO. WHAT ABOUT JOHN MCKENNA, WHOSE LIVELIHOOD IS TOTALLY DEPENDENT ON THAT MAN? WHAT ABOUT HIS BIAS AND MOTIVE?

THE VIRGINIA LOANS. I GUESS MR. LEWIN DIDN'T THINK IT WAS IMPORTANT ENOUGH TO TALK ABOUT THE FACT THAT JOHN MEADE, THAT BANKER WHO YOU OBVIOUSLY TRUST, PAID GEORGE HANSEN'S INTEREST. IF YOU EVER WANT ONE PIECE OF EVIDENCE TO TELL YOU ABOUT THIS CASE, CONSIDER THE FACT THAT BANK SWINDLER JOHN MEADE, HIMSELF, THE BANKER, PAID THE INTEREST OF GEORGE HANSEN'S LOANS. TELL ME ONE TIME YOU HAVE EVER HEARD A BANKER PAY THE INTEREST OF A LENDER'S LOANS. TELL ME SOMETHING'S NOT WRONG WITH THAT TRANSACTION.

THE FBI 302 THAT MR. LEWIN SO PRONOUNCEDLY USES. THERE'S ONLY ONE PROBLEM WITH IT. GEORGE HANSEN TOLD THE FBI

THAT HE HAD DISCUSSED THE SILVER TRANSACTION WITH MCKENNA AND RUNFT. THE ONLY PROBLEM WITH THAT IS JOHN RUNFT TOOK THE STAND AND HE SAID HE DIDN'T KNOW ABOUT IT. MCKENNA TOOK THE STAND AND HE SAID HE DIDN'T KNOW ABOUT IT. THAT'S A LIE. IT'S THE SAME KIND OF LIE HE TOLD US, TOLD ME WHEN WE INTERVIEWED HIM AND ASKED HIM, "WHAT ABOUT THE $87,000?" JUST A SMALL POINT. JUST A SMALL POINT. THE $87,000? HE TOLD US, "I'M NOT SURE. IT HAD TO HAVE BEEN FOR MY WIFE'S DEBTS."

YEAH, HE KNEW WE WERE COMING ON THE 87, HE KNEW WE WERE INTERESTED IN THE 87, AND HE KNEW THAT HE HAD RUN IT THROUGH TWO BANKS THROUGH CHECKS TO HIMSELF. NOW, IS THAT AN HONEST ANSWER? AND IS NOT THE $87,000 AND WHERE IT WENT CENTRAL TO THIS CASE?

THE $125,000 AND THE $300 CHECK. I'M NOT SUGGESTING THAT THERE'S A CRIME INVOLVED IN THAT. I'M SUGGESTING THAT IT DEMONSTRATES HIS PARTICIPATION AND KNOWLEDGE IN THE SILVER TRANSACTION.

WHY DIDN'T OUR EXEMPTION CHART INCLUDE THE PART ABOUT SPOUSES LIVING APART? OBVIOUSLY, THAT CHART WAS MADE LONG BEFORE THIS TRIAL. THE THREE-PRONGED TEST APPLIES TO COUPLES LIVING TOGETHER WHO SEPARATE THEIR PROPERTY. THE OTHER EXEMPTION APPLIES TO A MARRIAGE THAT HAS BEEN DISSOLVED. AS FAR AS WE KNOW, THEIR MARRIAGE HAS NOT BEEN DISSOLVED. THAT'S WHY WE DIDN'T INCLUDE IT IN OUR CHART. IT HAS NO APPLICATION TO ANYONE BUT JOHN RUNFT. AND THE PLAIN LANGUAGE

OF THE STATUTE IS THAT THAT JUST AIN'T SO.

YEAH, GEORGE HANSEN DISCLOSES ON HIS FINANCIAL FORMS THAT HE'S THE CHAIRMAN OF A.C.T. HE MAKES THAT NO SECRET. HE DOESN'T TALK ABOUT, HOWEVER, THE VIRGINIA LOANS. AND I GUESS MR. LEWIN CAN DISPARAGE ALL HE WANTS GEORGE HANSEN'S CONTACT WITH THE PENTAGON, BUT DON'T YOU THINK IT'S A MIGHT BIT INTERESTING: ON THE DAY HE DEPOSITS THE $25,000 HE'S OVER AT THE PENTAGON ON BEHALF OF MEADE AND MCAFEE? AND DON'T YOU THINK IT'S A MIGHT STRANGE THAT THEREAFTER HE IS LOBBYING THE PENTAGON ON A PROJECT THAT EVERYONE IN AN OFFICIAL POSITION BELIEVES IS A HOAX?

THE BLACKMAIL LETTER. THE BLACKMAIL LETTER. EVERYBODY HAS A DIFFERENT REACTION TO THE BLACKMAIL LETTER. NELSON BUNKER HUNT, APRIL FOOL JOKE. CONNIE HANSEN THOUGHT HER LIFE AND HER FAMILY WERE IN DANGER. MCKENNA, HE THOUGHT CONGRESSMAN HANSEN WOULD BE INVESTIGATED AS A RESULT OF IT. IVAN IRWIN, HE EVEN THOUGHT FOR A WHILE THAT GEORGE HANSEN OR CONNIE HANSEN MAY BE RESPONSIBLE FOR THE BLACKMAIL LETTER. WHAT ARE THE FACTS?

THE FACTS ARE THAT THE BLACKMAIL LETTER CAME IN ON A TUESDAY, MARCH THE 31ST. NOBODY CAME TO THE DEPARTMENT OF JUSTICE UNTIL MONDAY, APRIL THE 6TH. IF THIS WAS A LEGITIMATE BLACKMAIL RESPONSE, "OH, MY GOD, WE'VE GOT A BLACKMAIL LETTER LOOKING FOR ALMOST A HALF-A-MILLION DOLLARS, THERE ARE SERIOUS PROBLEMS AROUND HERE," WHY DIDN'T BUNKER HUNT

SIMPLY PICK UP THE PHONE AND SAY, "DALLAS FBI, WE HAVE A BLACKMAIL LETTER, GET RIGHT ON IT", OR WHY DIDN'T HE PICK UP THE PHONE, SINCE GEORGE HANSEN WAS MENTIONED, "GEORGE, WE HAVE A BLACKMAIL LETTER, THIS IS WHAT IT SAYS, OBVIOUSLY IT'S NONSENSE; LET'S GET THE FBI RIGHT INVOLVED." NO. NO, NO, NO. THAT'S NOT WHAT HAPPENED. INSTEAD, ALMOST A WEEK PASSED. IVAN IRWIN RUNS UP TO WASHINGTON, RUNS BACK TO DALLAS, GOES BACK TO WASHINGTON. JOHN RUNFT BROUGHT IN. THERE'S A BIG SHOW AT THE DEPARTMENT OF JUSTICE. ANYBODY WHO KNOWS ANYTHING ABOUT THE SYSTEM -- AND I SUBMIT A CONGRESSMAN OF 24 YEARS DOES KNOW ABOUT THE SYSTEM -- WELL REALIZE THAT THE FBI HAS TO GET INVOLVED. AND WHY COULDN'T THE FBI HAVE BEEN INVOLVED FROM THE OUTSET? WHY THE BIG SHOW? WELL, IT'S OBVIOUS. THEY HAD A LITTLE BUSINESS TO TAKE CARE OF BEFORE THEY WENT TO THE FBI. THEY HAD TO GET THEIR DUCKS IN ORDER. AND WHAT DO I MEAN BY THAT? THEY HAD TO FRESHEN UP THE NOTES.

YOU RECALL NELSON BUNKER HUNT HAD TO PAY THE $61,000 TO THE DALLAS BANK. OF COURSE, IN A REGULAR BUSINESS TRANSACTION, THAT WOULD MEAN CONNIE HANSEN THEN OWED NELSON BUNKER HUNT $61,000. BUT SOMEHOW, THAT HAD FALLEN BY THE WAYSIDE. NO ONE BOTHERED WITH THAT UNTIL THE BLACKMAIL LETTER. SO IVAN IRWIN GOES SCURRYING UP TO WASHINGTON ON BEHALF OF NELSON BUNKER HUNT, AND THEY FRESHEN UP THE NOTES. THEY GET THEIR DUCKS IN ORDER SO THAT WHEN WE INEVITABLY CAME UPON THE SOYBEAN TRANSACTION, WHICH WE INEVITABLY DID, THE NOTES

WOULD BE FRESHENED UP.

AND DID GEORGE HANSEN COME WALKING INTO THE DEPARTMENT OF JUSTICE AND LAY ALL THE FACTS ON THE TABLE? WELL, HE TALKED ABOUT THE TAX PROBLEMS AND HIS IRS PROBLEMS, HE TALKED ABOUT HIS TAX BOOK. DID THEY EVER VOLUNTEER A PRIOR RELATIONSHIP BETWEEN HANSEN AND HUNT, THE SOYBEAN TRANSACTION? NO. OF COURSE, GEORGE HANSEN TALKS ALL ABOUT THE PROPERTY SEPARATION AGREEMENT: "WE HAVE FORMALLY SEPARATED OUR PROPERTY AND THIS IS CONNIE HANSEN'S TRANSACTION." DID THEY EVER VOLUNTEER THAT IT WAS GEORGE HANSEN WHO USED AND SPENT THE $87,000? OH, NO, NO, NO, THEY DIDN'T DO THAT.

THE DEPARTMENT OF JUSTICE WAS NOT FOOLED. THE CASE WAS ASSIGNED TO THE PUBLIC INTEGRITY SECTION. IF THIS HAD JUST BEEN A BLACKMAIL, IT WOULDN'T HAVE BEEN ASSIGNED TO THE PUBLIC INTEGRITY SECTION. I DIDN'T PICK THIS CASE UP OUT OF PERSONAL AMBITION. IT WAS ASSIGNED TO THE DEPARTMENT OF JUSTICE BECAUSE IT WAS PATENTLY CLEAR TO THE DEPARTMENTAL OFFICIALS ON APRIL 6TH, 1981, WHAT WE --

MR. EWIN: I OBJECT TO THAT. THERE IS NO --

THE COURT: COUNSEL TO THE BENCH, MR. LEWIN. I HAVE ASKED THAT ALL THESE MATTERS BE TAKEN AT THE BENCH, AND I WILL CONTINUE TO SAY THAT.

(AT THE BENCH)

THE COURT: YES?

MR. LEWIN: I'M SORRY. MR. WEINGARTEN -- THE ONLY

WAY I CAN STOP THAT IS BY STANDING UP. I'M SORRY.

THE COURT: YOU CAN STAND UP AND SAY, "OBJECTION", SIR, BUT NOTHING MORE.

MR. LEWIN: HE IS ASSERTING IT WAS PATENTLY CLEAR TO THE DEPARTMENT OF JUSTICE OFFICIALS, SO ON AND SO FORTH. THERE IS NOTHING IN THE RECORD THAT SUPPORTS THAT. THERE IS NO DEPARTMENT OF JUSTICE OFFICIAL WHO HAS SO TESTIFIED. AND MR. IRWIN HAS TESTIFIED TO THE CONTRARY.

MR. WEINGARTEN: THE CASE WAS ASSIGNED TO THE PUBLIC INTEGRITY SECTION. ACTIONS SPEAK LOUDER THAN WORDS.

MR. LEWIN: ALL RIGHT, BUT HE HAS NO RIGHT --

THE COURT: YOU CAN SAY IT THAT WAY.

MR. LEWIN: ALL RIGHT.

(IN OPEN COURT)

MR. WEINGARTEN: ACTIONS SPEAK LOUDER THAN WORDS. IT'S AN EXPRESSION THAT PERHAPS YOU HAVE HEARD IN THE PAST, USE IT SOMETIMES YOURSELF. THE CASE CAME TO THE PUBLIC INTEGRITY SECTION. THE BLACKMAIL LETTER SAID THERE WAS A BRIBERY ALLEGATION, BUNKER HUNT TO GEORGE HANSEN. IF IT HAD JUST BEEN A BLACKMAIL LETTER, WITHOUT A BRIBERY ALLEGATION, THIS CASE WOULD NOT HAVE BEEN ASSIGNED THE WAY IT WAS.

AND KEN CARUSO? MR. LEWIN CAN DISPARAGE KEN CARUSO'S REMARKS ALL HE WANTS. THERE IS AN EXPRESSION, "RACE TO THE PROSECUTOR'S OFFICE." THE FIRST ONE THERE GETS THE OPPORTUNITY TO MAKE HIS DEFENSE, TO LOOK LIKE A GOOD GUY. IT

TOOK HIM A WHILE. HE HAD TO FRESHEN UP THE NOTES, GET HIS FACTS IN ORDER, BRING HIS LAWYER FROM IDAHO, HAVE IVAN IRWIN COME UP TWICE, BUT GEORGE HANSEN CAME THROUGH --

MR. LEWIN: YOUR HONOR, MAY WE APPROACH THE BENCH, PLEASE?

THE COURT: MR. LEWIN.

(AT THE BENCH)

MR. LEWIN: YOUR HONOR, I HAVE NO OPPORTUNITY TO RESPOND, BUT WHEN COUNSEL MAKES A STATEMENT THAT IS SQUARELY CONTRARY --

THE COURT: WHAT IS THE STATEMENT?

MR. LEWIN: HE HAS MADE THE STATEMENT SEVERAL TIMES ABOUT FRESHENING UP THE NOTES, AND THE ONLY TESTIMONY REGARDING THE NOTES IS THE TESTIMONY OF MR. IRWIN, AND THOSE NOTES WERE DONE AFTER THEY RETURNED FROM THE MEETING AT THE ATTORNEY GENERAL'S OFFICE, AND THAT'S HIS TESTIMONY. SO THE NOTES COULD NOT HAVE BEEN FRESHENED UP BEFORE THE MEETING AT THE ATTORNEY GENERAL'S OFFICE, AND WE SUBMIT THAT ANY IMPLICATION TO THAT EFFECT IS CONTRARY TO THE RECORD, AND EITHER I SHOULD BE GIVEN THE OPPORTUNTY TO RESPOND TO IT OR THE JURY SHOULD BE TOLD THAT IS CONTRARY TO THE UNDISPUTED EVIDENCE IN THE RECORD.

MR. WEINGARTEN: OBVIOUSLY HE CAME UP WITH TWO PURPOSES IN MIND. ONE WAS TO FRESHEN UP THE NOTES, AND IF THEY DID IT ONE MINUTE BEFORE OR ONE MINUTE AFTER --

THE COURT: JUST MAKE THAT CLEAR, MR. WEINGARTEN, AND I WILL NOT HAVE TO INTERRUPT THIS BIT.

MR. LEWIN: ALL RIGHT. I WANT THE ARGUMENT MADE CLEAR.

THE COURT: ALL RIGHT. LET'S SEE IF WE CAN MINIMIZE THESE INTERRUPTIONS.

(IN OPEN COURT)

MR. WEINGARTEN: BOTTOM LINE, LADIES AND GENTLEMEN, TO THE BLACKMAIL LETTER. IT TOOK HIM A WHILE TO GET TO THE DEPARTMENT. THEY HAD SOME BUSINESS TO TAKE CARE OF AT THAT TIME, AND THEY TOOK CARE OF THE BUSINESS. THEY DID GET TO THE DEPARTMENT SIX DAYS AFTER THE BLACKMAIL LETTER WAS RECEIVED.

MR. LEWIN: YOUR HONOR, I THOUGHT THERE WAS AN INSTRUCTION TO MR. WEINGARTEN AT THE BENCH.

MR. WEINGARTEN: YOUR HONOR, I --

THE COURT: MR. WEINGARTEN WILL TAKE CARE OF THE MATTER AS APPROPRIATE, MR. LEWIN. PLEASE HAVE A SEAT, SIR.

YOU MAY CONTINUE, MR. WEINGARTEN.

MR. WEINGARTEN: I'VE BEEN INTERRUPTED SO MANY TIMES, I'M LOSING MY TRAIN OF THOUGHT. COULD I -- MAY WE APPROACH THE BENCH?

THE COURT: YES, GENTLEMEN.

(AT THE BENCH)

MR. WEINGARTEN: I WOULD LIKE IT READ BACK TO ME.

THE COURT: MR. WEINGARTEN IS AWARE THAT HE IS GOING TO WEAVE IT INTO HIS ARGUMENT. THIS DOESN'T MEAN YOU HAVE TO DO IT THE FIRST SECOND OR TWO, MR. LEWIN. I HAVEN'T ASKED YOU TO DO THAT.

MR. LEWIN: THERE WAS A MISSTATEMENT ABOUT "FRESHENING UP" THE NOTES, AND I RESENT THAT STATEMENT. HE HAS MISSTATED THE RECORD, AND I THINK HE SHOULD CORRECT IT NOW, RATHER THAN LEAVE IT IN THE JURY'S MIND.

THE COURT: MR. LEWIN, HE WILL CORRECT IT. WE HAVE TALKED ABOUT IT AT THE BENCH. I DIDN'T SAY TO CORRECT IT WITHIN THE NEXT SECOND. I WOULD ASK THAT YOU DO IT VERY SHORTLY AFTER YOU LEAVE THE BENCH, MR. WEINGARTEN. AND YES, WE WILL HAVE IT READ BACK TO YOU. WHAT DO YOU WANT? THE LAST --

MR. WEINGARTEN: IT'S SO FAR PAST.

THE COURT: I THINK IT MIGHT BE BETTER JUST TO TAKE IT SMOOTHLY.

(IN OPEN COURT)

MR. WEINGARTEN: SOME EXCEPTION IS TAKEN AT THIS POINT BY MR. LEWIN AS TO WHEN THE PARTIES SAT DOWN TO FRESHEN UP THE NOTES. NOW, RECALL IVAN IRWIN'S TESTIMONY AS, FIRST, THEY WENT TO THE DEPARTMENT ON APRIL THE 6TH, AND THEN THEY SAT DOWN AND FRESHENED UP THE NOTES. I SUBMIT TO YOU THAT THEY ARE ACCOMPLISHING EXACTLY WHAT THEY HAD SET OUT TO DO: GET THEIR DUCKS IN A ROW JUST IN CASE THE DEPARTMENT OF JUSTICE

STUMBLED UPON THEIR SOYBEAN TRANSACTION. THEY DIDN'T VOLUNTEER THE SOYBEAN TRANSACTION WHEN THEY WERE IN THE DEPARTMENT OF JUSTICE OFFICES. AND WHETHER OR NOT THEY FRESHENED UP THE NOTES BEFORE BY FIVE MINUTES OR AFTER BY FIVE MINUTES, I SUBMIT DOES NOT AMOUNT TO A HILL OF BEANS.

IF INNOCENT PEOPLE RECEIVE A BLACKMAIL LETTER, THEY CALL THE FBI RIGHT AWAY. THAT'S NOT WHAT HAPPENED IN THIS CASE.

THE PROPERTY SEPARATION AGREEMENT. SMOKESCREEN -- THE WORD "SMOKESCREEN" WAS USED FREQUENTLY BY MR. LEWIN. I AM NOT GOING TO ARGUE WHAT I ARGUED BEFORE. I ASK YOU TO USE YOUR COMMON SENSE. ASK YOURSELVES, NAME ONE THING THAT THAT PROPERTY SEPARATION AGREEMENT AFFECTED BESIDES GIVING CONNIE HANSEN THE OPPORTUNITY TO RAISE MONEY FOR DEBTS AND THE OPPORTUNITY FOR GEORGE HANSEN TO CLAIM, THROUGH HIS ATTORNEYS, THAT HE DIDN'T HAVE TO FILE BUNKER HUNT TRANSACTIONS AND THE VIRGINIA LOANS. NAME ONE THING THAT THAT PROPERTY SEPARATION AGREEMENT DID OTHER THAN WHAT I'VE JUST MENTIONED. I SUBMIT YOU CAN COME UP WITH NOTHING. MAYBE THERE WOULD BE A VARIATION ON WHAT IS INHERITED BY CONNIE HANSEN. CONNIE HANSEN, ALL THE PROPERTY IS IN HER NAME, ANYWAY, BY THE PROPERTY SEPARATION AGREEMENT, SO THERE'S NO CHANGE THERE. AND PERHAPS GEORGE HANSEN, IF HE WERE IN THE SITUATION, WOULD HAVE TO SHARE HIS PROPERTY TO SOME DEGREE WITH HIS CHILDREN WITH THE PROPERTY SEPARATION AGREEMENT. I SUBMIT IF THAT WERE

THE CASE WITH GEORGE HANSEN, HE HAS NO COMPUNCTION, AS DEMONSTRATED BY HIS USE OF THIS PROPERTY SETTLEMENT AGREEMENT, TO AVAIL HIMSELF OF PROPERTY THAT IS ALLEGEDLY IN THE NAME OF ANOTHER.

WHEN IT'S CONVENIENT FOR PROPERTY TO BE SEPARATE, IT'S SEPARATE, IN THE PROPERTY SEPARATION AGREEMENT. CONNIE HANSEN WANTS TO GO OUT AND RAISE MONEY, "I'M A SEPARATE PERSON." WHEN IT'S CONVENIENT FOR THE MONEY TO BE JOINT, WHEN THERE'S A TAX BENEFIT ON THEIR RETURN, JOINT PROPERTY, "WE'RE FILING OUR TAXES TOGETHER." THE SOYBEAN LOSS, WRITTEN RIGHT OFF THE TOP BY GEORGE HANSEN. WHEN IT'S CONVENIENT FOR IT TO BE SEPARATE. WHEN IT'S CONVENIENT FOR A LAWYER TO COME UP HERE AND SAY, "THEY DON'T HAVE TO REPORT IT BECAUSE OF THE SOLEMN PROPERTY SEPARATION AGREEMENT; IT'S SEPARATE." WHEN IT'S CONVENIENT FOR THEM TO HAVE THE PROPERTY JOINT WHEN THEY FILE FINANCIAL FORMS TO THE BANKS TO GET LOANS, THAT'S JOINT PROPERTY, "WE BOTH OWN THAT; THAT'S COLLATERAL THAT WE BOTH CAN USE."

TALK ABOUT SMOKESCREENS.

MR. LEWIN SUGGESTS THERE IS NO MOTIVE IN THIS CASE FOR GEORGE HANSEN TO OMIT THESE TRANSACTIONS. I SUBMIT TO YOU, LADIES AND GENTLEMEN, THE SOYBEAN AND SILVER TRANSACTIONS ARE NOTHING MORE THAN EFFORTS BY NELSON BUNKER HUNT TO PUT MONEY IN HIS POCKET. HE HOLDS HIMSELF OUT THROUGH MR. MCKENNA AS A POPULIST, A MAN OF THE PEOPLE, A GRASS ROOTS GUY. IS IT

GRASS ROOTS TO HAVE MILLIONAIRE NELSON BUNKER HUNT PUTTING MONEY IN YOUR POCKET? I SUBMIT THAT IS MOTIVE FOR NOT REPORTING THESE TRANSACTIONS.

AND WHAT ABOUT THE VIRGINIA LOANS? I GUESS IT'S JUST NOT IMPORTANT ENOUGH FOR MR. LEWIN TO TALK ABOUT, BUT I SUBMIT TO YOU IT'S OF MOST SIGNIFICANCE, MOST IMPORTANCE, THAT ON THE SAME DAY HE'S GETTING THE 25, HE'S DOING FAVORS. AND THE DAY AFTER HE GOT THE FIFTY, HE'S ON THE PHONE WITH THE PENTAGON.

THE ADVICE-OF-COUNSEL DEFENSE. IT FAILS FOR THREE SEPARATE REASONS: FIRST, HE WASN'T SEEKING LEGITIMATE ADVICE. HE IS NOT JOE SCHMOE ON THE STREET WHO DOESN'T KNOW ANYTHING ABOUT THE LAW. HE IS A LAWMAKER HIMSELF. HE KNOWS HOW TO READ. HE KNOWS THAT -- THE LAWS THAT ARE PASSED BY CONGRESS. HE KNOWS WHAT CONGRESS WAS UP TO WHEN THEY PASSED THE ETHICS IN GOVERNMENT ACT. HE WASN'T LOOKING FOR A LEGAL INTERPRETATION. HE'S A LAWMAKER. HE WAS LOOKING FOR AN EXCUSE. AND THAT IS NOT A GOOD FAITH REASON FOR GOING TO A LAWYER.

AND I SUBMIT TO YOU THE LAWYER'S RESPONSE IS CONTRARY TO ALL FACT, ALL COMMON SENSE, AND I ASK YOU TO REMEMBER THE WORDS OF DAVID SCOTT AS TO WHAT EFFECT THERE WOULD BE ON THE ETHICS IN GOVERNMENT ACT IF JOHN RUNFT'S ADVICE CARRIES THE DAY. BUT MOST IMPORTANT, WHATEVER YOU THINK OF RUNFT, WHATEVER YOU THINK OF MCKENNA, A CLIENT'S GOT TO LEVEL WITH HIS LAWYER FOR HIM TO BE ABLE TO RELY ON THE LAWYER'S

WORDS. GEORGE HANSEN DID NOT DISCLOSE TO MCKENNA OR TO RUNFT HIS FINANCIAL AFFAIRS AFTER 1977. HAD HE DONE SO, IT WOULD HAVE BEEN PATENTLY CLEAR THAT THE PROPERTY SETTLEMENT AGREEMENT WAS A SHAM. HE DID NOT DISCLOSE HIS RELATIONSHIP WITH NELSON BUNKER HUNT, GOING TO NELSON BUNKER HUNT LOOKING FOR MONEY, AND THE NATURE OF THESE TRANSACTIONS. IF THEY HAD -- IF HIS LAWYERS HAD BEEN SO ADVISED, THEY WOULD HAVE SEEN IMMEDIATELY THAT THESE TRANSACTIONS WERE TOTALLY APART FROM THE PROPERTY SEPARATION AGREEMENT.

HE DID NOT TELL HIS LAWYERS THAT HE POCKETED THE $87,000. HAD HE DONE SO, HOW COULD A LAWYER HAVE SAID THIS WAS CONNIE HANSEN'S TRANSACTION? HE DID NOT TELL MCKENNA THAT HE WAS GETTING $135,000 FROM THESE VIRGINIA GUYS AT THE SAME TIME HE'S DOING THEM FAVORS. IF HE HAD DONE SO, HOW COULD HE POSSIBLY HAVE SAID THIS WAS A LEGITIMATE TRANSACTION?

MR. LEWIN DOESN'T SPEND MUCH TIME WITH THE IDAHO MONEY. I SUBMIT TO YOU HIS ANALOGY ABOUT THE BOOK IS A BIT OFF. WHAT HAPPENED IS GEORGE HANSEN RECEIVED $135,000 FROM MEADE, MCAFEE AND ROGERS. HE SPENT THAT MONEY. THAT'S PART OF A STIPULATION. AT BEST, HE REPRESENTED TO THOSE PEOPLE THAT THAT MONEY WAS FOR HIS BOOK. HIS BOOK WAS A PRIVATE PROPOSITION WHEREIN HE WAS LOOKING FOR A PROFIT. THAT MONEY WAS SPENT. LATER, AND ONLY LATER, HE GOES TO AN IDAHO BANK FOR NONPROFIT MONEY. HE GETS THE $90,000; IT IS THE $90,000 FROM THE IDAHO MONEY, IT IS THE $5,000 FROM HIS A.C.T. ACCOUNT

IN IDAHO THAT AMOUNTS TO THIS MONEY RIGHT HERE. THIS IS NOT VIRGINIA MONEY. THIS IS MONEY HE WENT AND BORROWED THE SAME MONTH. AND RELY ON YOUR COMMON SENSE AND YOUR INTELLIGENCE TO TELL YOU THAT YOU CAN'T SPEND THE SAME MONEY TWICE. AND IF HE HAD SPENT THE VIRGINIA MONEY ALREADY AND THAT MONEY IS GONE AND THEN GOES OUT AND BORROWS MONEY, HE HAS GOT AN OBLIGATION TO REPORT THOSE LOANS FROM THE VIRGINIA PEOPLE.

THE HOUSE OF REPRESENTATIVES. I DEFY YOU TO FIND ONE WORD IN ANY DEFENSE EXHIBIT WHEREIN ANY MEMBER OF THE HOUSE OF REPRESENTATIVES AUTHORIZED GEORGE HANSEN NOT TO DISCLOSE HIS WIFE'S PROPERTY. IT DOESN'T EXIST. HIS RELIANCE ON THE COURSE OF CONDUCT OF THE HOUSE OF REPRESENTATIVES REMINDS ME OF THE LITTLE BOY WHO BREAKS A WINDOW AND THEN GOES TO HIS MOTHER AND SAYS, "MOMMIE, I DIDN'T DO ANYTHING, I DIDN'T DO ANYTHING," AND THE MOTHER SAYS, "OH, THAT'S O.K., THAT'S O.K." SHE DOESN'T KNOW ABOUT BREAKING THE WINDOW. AND THEN HE GOES OUT AND BREAKS ANOTHER WINDOW AND SAYS, "MOMMIE, I DIDN'T DO ANYTHING," AND THE MOTHER SAYS, "THAT'S O.K., THAT'S O.K., NO PROBLEM." AND THEN SHE FINDS OUT THREE DAYS LATER THAT THE BOY HAD BROKEN THE WINDOWS, AND THE BOY COMES TO HER, "YOU CAN'T PUNISH ME; YOU DIDN'T PUNISH ME BEFORE."

THE HOUSE OF REPRESENTATIVES HAD NO IDEA WHAT THIS GUY WAS UP TO. THEY HAD NO IDEA WHAT HE WAS DOING WITH NELSON BUNKER HUNT. THEY HAD NO IDEA THAT HE WAS RECEIVING VIRGINIA MONIES AND DOING FAVORS AT THE SAME TIME. THEY CAN'T

RELY ON THE HOUSE OF REPRESENTATIVES' ACKNOWLEDGEMENT OF THESE TRANSACTIONS, BECAUSE THE HOUSE OF REPRESENTATIVES HAD NO IDEA WHAT HE WAS UP TO.

AND AGAIN, THERE IS NOT ONE OFFICIAL WORD ANYWHERE WHEREIN HE WAS AUTHORIZED NOT TO REPORT HIS WIFE'S TRANSACTIONS.

INTENT? YEAH, INTENT IS THE ISSUE IN THIS CASE. WHAT WAS GEORGE HANSEN'S INTENT WHEN HE WAS WRITING THOSE CHECKS FOR $87,000? WAS THIS HIS WIFE'S SEPARATE PROPERTY? WHAT WAS HIS INTENT THE DAY HE TOOK THOSE GUYS TO THE PENTAGON AND CASHED THE CHECK? WAS THAT A.C.T. MONEY HE WAS RECEIVING? WHAT WAS HIS INTENT AT THAT TIME? I SUBMIT TO YOU THE ANSWER IS OBVIOUS.

LADIES AND GENTLEMEN, THE BACKDROP TO THIS CASE IS AN ACT CALLED THE ETHICS IN GOVERNMENT ACT. WHAT GEORGE VERNON HANSEN DID IN THIS CASE IS THE CENTER STAGE. A PHONY SEPARATION AGREEMENT DESIGNED TO GET AROUND THE ETHICS COMMITTEE. IS THAT ETHICS IN GOVERNMENT?

HUNT ENGINEERED AND CONTROLLED DEALS RUN THROUGH HIS WIFE'S NAME TO HIDE HIS INVOLVEMENT. IS THAT ETHICS IN GOVERNMENT?

A $50,000 LOAN TO COVER A $33,000 LOSS THAT'S NEVER PAID BACK. IS THAT ETHICS IN GOVERNMENT?

$87,000 IN HIS WIFE'S NAME THAT HE RUNS THROUGH TWO BANK ACCOUNTS IN CHECKS TO HIMSELF. IS THAT ETHICS IN GOVERNMENT?

$135,000 FROM A BANK SWINDLER THAT HE RECEIVES AND THEN PROMOTES A HOAX AT THE PENTAGON. IS THAT ETHICS IN GOVERNMENT?

THE QUESTION IS SIMPLE: IF IT IS, THAT'S ETHICAL BEHAVIOR, FIND HIM NOT GUILTY; SEND HIM BACK TO CONGRESS WITH A MESSAGE THAT WE EXPECT NO MORE OF ITS MEMBERS.

MR. LEWIN: YOUR HONOR, CAN WE APPROACH THE BENCH?

THE COURT: COUNSEL.

(AT THE BENCH)

MR. LEWIN: YOUR HONOR, THIS IS A PROSECUTION UNDER SECTION 1001, AS MR. WEINGARTEN WELL KNOWS. THESE CLAIMS, IS THIS ETHICS AND THAT ETHICS, AND SEND HIM BACK TO THE CONGRESS, I SUBMIT IS PLAINLY IMPROPER. I THINK THE JURY SHOULD BE TOLD TO DISREGARD THOSE THINGS, AND I THINK HE SHOULD BE INSTRUCTED TO STOP MAKING THEM.

THE QUESTION IS NOT WHETHER HE WRITES OUT CHECKS, WHETHER THAT'S ETHICS, WHETHER THAT CONGRESSMAN SHOULD BE SENT BACK TO CONGRESS. I THINK THAT IS PLAINLY IMPROPER, AND IT IS AN ATTEMPT TO INFLAME THE JURY WITH REGARD TO MATTERS THAT HAVE NO BEARING IN TERMS OF THE ISSUES OF THIS CASE, AND IT'S A SORT OF DESPERATE ATTEMPT TO WIND THEM UP AND SEND THEM OUT TO THAT JURY ROOM WITH SORT OF A PASSIONATE FEELING. I THINK HE SHOULD BE TOLD HE CAN'T DO IT, AND I THINK THE JURY SHOULD BE TOLD TO IGNORE IT.

MR. WEINGARTEN: THIS DEFENSE ATTORNEY ACCUSES THIS

PROSECUTION OF BEING A PROSECUTION FOR PERSONAL AMBITION AND THEN SUGGESTS THAT MY REPRESENTATIONS ARE IMPROPER.

THE COURT: WELL, I HAVE TO AGREE THAT THERE HAS BEEN SOME ATTEMPT ON BOTH SIDES. WHATEVER IT IS, WHETHER IT INFLUENCES THE JURY, I CAN'T FIND EITHER THE PERSONAL AMBITION STATEMENT THAT YOU MADE, MR. LEWIN, OR THE STATEMENT THAT YOU MADE, MR. WEINGARTEN, RISES TO THE LEVEL OF INFLAMING AND PREJUDICING THE JURY. WERE I TO SAY SOMETHING AT THIS TIME, I'M AFRAID THAT WOULD HAMMER IT IN EVEN FURTHER.

BUT CLEARLY, WHAT IS BEFORE US AND THE ISSUES BEFORE US ARE THOSE FOUR COUNTS OF THE INDICTMENT AS THEY RELATE TO CONGRESSMAN HANSEN, AND --

MR. WEINGARTEN: EVERY WORD I SAID WAS SUPPORTED BY EVIDENCE IN THE RECORD, AND THAT'S THE EVIDENCE OF HIS MOTIVE.

THE COURT: I'M NOT SAYING IT ISN'T SUPPORTED BY EVIDENCE. I THINK MR. LEWIN IS NOT NECESSARILY SAYING THAT. WHAT MR. LEWIN IS SAYING IS THE PHRASEOLOGY OF THE WORDS MIGHT INFLAME OR PREJUDICE. IS THAT CORRECT?

MR. LEWIN: THAT IS EXACTLY RIGHT, YOUR HONOR.

THE COURT: RIGHT. BUT I DON'T BELIEVE AT THIS POINT THAT IT WILL INFLAME OR PREJUDICE -- THE LONGER WE HAVE THIS BENCH CONFERENCE, THE LONGER IT MAY HAMMER IT IN. BUT I WOULD CONCENTRATE, UNLESS YOU ARE FINISHING, MR. WEINGARTEN, IF YOU WILL, PLEASE, ON THE INDICTMENT AS IT APPEARS.

AFTER ALL, THESE ARE NOT POLITICAL ISSUES. THE QUESTION FOR THE JURY IS NOT WHETHER THEY SHOULD, OF COURSE, SEND A MESSAGE TO CONGRESS OR SEND ANY POLITICIAN BACK TO THE CONGRESS. THEIR CONCERN IS WHAT HE REPORTS ON HIS ETHICS IN GOVERNMENT ACT FORM AND WHEN HE REPORTS. SO IF THEY'RE GOING TO SEND A MESSAGE, SEND A MESSAGE TO HIM. ALL RIGHT?

MR. LEWIN: I THINK EVEN -- YOUR HONOR, I WOULD OBJECT TO ANY ARGUMENT BASED ON SENDING MESSAGES. I THINK THAT --

THE COURT: I AM NOT ENCOURAGING HIM --

MR. LEWIN: I THINK THAT IS IMPROPER, AND I DON'T WANT TO BE UP HERE AGAIN, YOUR HONOR. BUT I THINK HE MAY NOT TALK ABOUT SENDING MESSAGES TO ANYBODY. THE QUESTION IS --

MR. WEINGARTEN: HE SAID SEND A MESSAGE TO THE GOVERNMENT. I'M APPALLED THAT HE CAN STAND UP HERE AND MAKE THAT ARGUMENT AFTER HIS ARGUMENT.

THE COURT: I BELIEVE YOU DID, MR. LEWIN.

MR. LEWIN: I DON'T KNOW WHETHER I PUT IT IN TERMS OF SENDING A MESSAGE. WHAT I SAID IS THAT IT COULD TAKE CERTAIN STEPS IN TERMS OF RETURNING A PROMPT VERDICT OF NOT GUILTY. AND IT SEEMS TO ME THAT THE NOTION THAT MR. WEINGARTEN IS PLAYING ON, IS THIS ETHICS, IS THAT ETHICS, AND SEND A MESSAGE IN TERMS OF ETHICS, I THINK THAT IS PATENTLY IMPROPER.

THE COURT: WELL, SEND A MESSAGE IN TERMS OF POLICY

WOULD BE IMPROPER. SEND A MESSAGE AS TO MAKE A QUICK VERDICT AS TO THEIR REACTION TO THIS CASE, JUST AS YOU SAID, IS CERTAINLY NOT IMPROPER.

MR. LEWIN: WELL, SURE.

THE COURT: RIGHT.

(IN OPEN COURT)

MR. WEINGARTEN: LADIES AND GENTLEMEN, WE'VE BEEN AT IT A LONG TIME THIS MORNING. LET ME FRAME THE ISSUE THIS WAY:

IF CONGRESSMAN HANSEN'S BEHAVIOR IS CONSISTENT WITH THE ETHICS IN GOVERNMENT ACT, FIND HIM NOT GUILTY. ON THE OTHER HAND, IF YOU THINK THERE'S SOMETHING WRONG WHEN CONGRESS PASSES AN ETHICS IN GOVERNMENT ACT AND THE FIRST FOUR YEARS IT IS ON THE BOOKS THE CONGRESSMAN THUMBS HIS NOSE AT IT, DISREGARDS IT AND FILES FALSE STATEMENTS, FALSE STATEMENTS DESIGNED TO HIDE VERY SUSPICIOUS TRANSACTIONS--IF YOU FIND THAT THERE'S SOMETHING WRONG WITH THAT, LADIES AND GENTLEMEN, THERE CAN BE BUT ONE VERDICT: GUILTY AS CHARGED.

THANK YOU.

THE COURT: LADIES AND GENTLEMEN OF THE JURY, I AM GOING TO RECESS YOU FOR LUNCHEON AT THIS TIME. THE COUNSEL AND I HAVE TO TALK FOR A FEW MOMENTS AFTER YOU LEAVE, AND SO I AM GOING TO ASK THAT YOU BE BACK AT 2:15 THIS AFTERNOON FOR THE INSTRUCTIONS.

PLEASE HAVE A GOOD LUNCHEON. PLEASE REMEMBER YOU

ARE STILL NOT TO DISCUSS THE CASE WITH ANYONE AT THIS TIME. HAVE A GOOD LUNCHEON. 2:15.

COUNSEL WILL WAIT, AND MR. HANSEN.

(THE JURY LEFT FOR LUNCH AT 12:35 P.M.)

THE COURT: SEVERAL THINGS. YOU MAY HAVE A SEAT.

ONE, THERE WILL BE A VERDICT FORM, BUT RATHER THAN GOING INTO ANY DETAIL, IT WILL MERELY SAY AS TO COUNT 1, 2, 3 AND 4, NOT GUILTY, GUILTY, NOT GUILTY, GUILTY, CHECK FOR THE JURY, TO BE SIGNED BY THE FOREPERSON, AND THEN A BLANK FOR EACH OF THE JURORS, AS IS MY CUSTOM, TO INITIAL, INDICATING THAT EACH JUROR HAS SEEN THE ENTIRE VERDICT FORM. THAT WILL BE SENT IN WITH THE JURORS.

NUMBER TWO: AS TO THE TAPE RECORDING, I WANT TO BE ABLE TO TELL THE JURORS ONE THING OR ANOTHER. THERE HAS BEEN A TAPE RECORDING, OF COURSE, MADE THUS FAR OF THE PROCEEDINGS. THERE WILL BE A TAPE RECORDING MADE IN ANY EVENT, CONTEMPORANEOUSLY WITH THE INSTRUCTIONS, OF THOSE INSTRUCTIONS.

MR. LEWIN HAD ASKED THIS MORNING FOR THE FIRST TIME ABOUT WRITTEN INSTRUCTIONS AS, INDEED, ARE PERMITTED IN CERTAIN CIRCUITS BUT IS NOT CUSTOMARILY USED IN THIS CIRCUIT. NONETHELESS, THERE IS NO PROHIBITION AGAINST USING THEM, BUT IT WOULD HAVE BEEN IMPOSSIBLE WITH THAT BREVITY OF TIME THAT WE THEN ANTICIPATED TO HAVE REDUCED PERHAPS A HALF AN INCH OR SLIGHTLY LESS OF PROPOSED WRITTEN INSTRUCTIONS TO THE

TYPEWRITER AND TO BRING IT FORTH IN APPROPRIATE FORM.

WHAT I HAD PROPOSED THIS MORNING, AND MR. LEWIN SAID HE WANTED TO THINK ABOUT AND I HAD HEARD NOTHING ONE WAY OR THE OTHER FROM THE GOVERNMENT, WAS TO SEND IN THE TAPE RECORDER WITH A TAPE MADE OF THE INSTRUCTIONS AS THEY ARE VERBALIZED BY THE COURT AT THE TIME OF GIVING THEM. WHAT IS YOUR PLEASURE, GENTLEMEN? IT HAS TO BE UNANIMOUS, WHATEVER IT IS.

MR. WEINGARTEN: I THINK WE OBJECT TO THAT. I THINK IT COULD BE A DISTRACTION. OBVIOUSLY, IF THEY HAVE A QUESTION ABOUT ANY INSTRUCTION, COME OUT AND HEAR IT AGAIN.

MR. LEWIN: YOUR HONOR, I WOULD REQUEST THAT THAT BE DONE, BECAUSE THAT ENABLES JURORS, WHO JUST SORT OF HEAR THE INSTRUCTIONS QUICKLY, TO BE ABLE TO GO BACK AND GO TO PARTICULAR POINTS IN THE INSTRUCTIONS. SINCE IT IS THE LAW WHICH THEY ARE TO APPLY, I CAN'T SEE ANY BASIS FOR THE GOVERNMENT SAYING THEY OUGHT NOT TO BE ABLE TO HAVE BEFORE THEM THE LAW AS THE COURT GIVES IT TO THEM. AND THAT JUST WILL ENABLE THEM TO HEAR WHAT IT IS THAT THE COURT SAID. IF THEY'VE GOT SOME DOUBT, THEY CAN GO BACK TO IT AND LISTEN TO IT AGAIN.

SO I REQUEST THAT THE COURT SEND A RECORDING, IF THAT'S ALL THAT IS AVAILABLE, INTO THE JURY ROOM WITH THE INSTRUCTIONS.

THE COURT: IF THE ONLY OBJECTION IS THAT IT IS DISTRACTING -- IS THAT THE ONLY OBJECTION, MR. WEINGARTEN?

MR. WEINGARTEN: WELL, THE COURTS CONSISTENTLY TAKE A POSITION THAT THEY DON'T LIKE A TAPE RECORDER BEING IN THE JURY ROOM. JURORS CAN BE DISTRACTED FROM THEIR PRIMARY POSITION OF HANDLING EVIDENCE. JURORS IN THIS INSTANCE CAN HIGHLIGHT CERTAIN PORTIONS AND NOT HIGHLIGHT OTHER PORTIONS. I MEAN I THINK IT'S MUCH, MUCH BETTER, IF THEY HAVE A PARTICULAR PROBLEM ABOUT A PARTICULAR PORTION OF THE CHARGE, TO COME BACK OUT AND HAVE IT READ TO THEM AGAIN.

MR. LEWIN: YOUR HONOR, BUT THEY CAN'T REMEMBER. THEY'RE IN THERE, AND IT'S A WHOLE PRODUCTION TO COME BACK OUT INTO THE COURTROOM. I DON'T SEE THAT THERE IS ANY DISTRACTION AT ALL, AND I SUBMIT THAT DOES NOT OVERCOME THE DESIRABILITY OF THEIR KNOWING THE LAW.

THE COURT: AS I HAD SAID, IT WOULD HAVE TO BE UNANIMOUS. WHAT WE WILL DO IS IF THE JURY -- AND SO IT WILL NOT BE SENT INTO THE JURY ROOM, SO THE RECORD IS CLEAR. IF, HOWEVER, THE JURY ASKS FOR A REREADING OF AN INSTRUCTION, IT MAY OR MAY NOT BE, UPON CONVERSATION WITH COUNSEL, THAT WE WILL SEND THE TAPE RECORDING IN DESIGNATED MERELY AT THAT PLACE. OR WE MAY READ IT AGAIN, IN CONJUNCTION WITH WHATEVER OTHER INSTRUCTIONS MAY BE APPROPRIATE. IT WILL NOT BE SENT IN.

ALL RIGHT. ONE OTHER MATTER. WE HAVE TWO ALTERNATE JURORS WHO ARE CUSTOMARILY, AS COUNSEL WELL APPRECIATE, ELIMINATED FROM THE CASE AT THE CONCLUSION OF THE INSTRUCTIONS

AND AS THE TWELVE JURORS GO INTO THE JURY ROOM. WE ALL KNOW THAT ON RARE OCCASIONS BUT, NONETHELESS, ON OCCASIONS THERE ARE JURORS WHO TAKE ILL OR FOR SOME REASON ARE UNABLE TO CONTINUE IN THEIR DELIBERATIONS IF DELIBERATIONS ARE OF ANY LENGTH OF TIME.

WHAT IS COUNSEL'S PLEASURE AS FAR AS RETAINING THE TWO ALTERNATE JURORS IN A SEPARATE ROOM?

MR. LEWIN: YOUR HONOR, I THINK THEY SHOULD BE KEPT, SEGREGATED, UNLESS MR. LEWIN AGREES TO AN ELEVEN OR LESS VERDICT.

THE COURT: THE QUESTION IS RIGHT NOW -- WE CAN ALWAYS TALK ABOUT THE ELEVEN OR LESS VERDICT. BUT THE QUESTION IS RIGHT NOW ABOUT KEEPING THOSE JURORS.

MR. LEWIN: YOUR HONOR, I AM REALLY NOT SURE. I HAVE A VAGUE RECOLLECTION THAT THERE ARE SOME DECISIONS THAT SAY THAT YOU CAN'T PUT AN ALTERNATE JUROR IN ONCE THE DELIBERATIONS BEGIN. SO I DON'T THINK THAT THAT NECESSARILY HELPS THE PROBLEM. AND, FRANKLY, MY INITIAL REACTION IS I THINK I WOULD OPPOSE INJECTING A NEW JUROR INTO THE CASE.

THE COURT: EXCUSE ME. SINCE YOU THINK YOU WOULD, AND THAT SOUNDS LIKE IT IS NOT QUITE DEFINITE YET, WHY DON'T WE DO THIS. WE WILL KEEP THOSE TWO ALTERNATE JURORS FOR THE TIME BEING IN A SEGREGATED ROOM, OBVIOUSLY NOT TO MINGLE WITH THE TWELVE BASIC JURORS WHO WILL BE DELIBERATING ON THE CASE. WE WILL SEE IF ANYTHING OCCURS WITHIN THE NEXT FEW HOURS.

WE MAY HAVE A VERDICT; WE MAY HAVE NOTHING HAPPENING TO ANY OF OUR OTHER JURORS, WHO ALL STAY HEALTHY AND DETERMINATIVE TO MAKE A DECISION. AND IT MAY BE THAT AT THE END OF THE DAY WE CAN DECIDE WHETHER OR NOT WE CAN RELEASE THOSE TWO JURORS TO THEIR HOME BASES OR WHETHER WE SHOULD RETAIN THEM FOR THE DURATION OF THE CASE. SO WHY DON'T WE DO IT INITIALLY, AND THEN WE CAN MAKE OUR DECISION AS IT GOES, SINCE THEY ARE IN SEPARATE ROOMS. ALL RIGHT?

ALL RIGHT. I'LL SEE YOU AFTER LUNCHEON, 2:15, INSTRUCTIONS.

(WHEREUPON, AT 12:42 P.M., THE PROCEEDING WAS RECESSED, TO RECONVENE AT 2:15 P.M. THE SAME DAY)

AFTERNOON SESSION 2:15 P.M.

(JURY NOT PRESENT)

THE COURT: GOOD AFTERNOON.

I WILL MAKE A BRIEF ANNOUNCEMENT FOR THOSE PERSONS WHO ARE IN THE COURTROOM. THE COURT HAS A POLICY THAT IS EXPRESSED IN EACH AND EVERY CASE, THAT WHEN THE INSTRUCTIONS ARE ONGOING, NO ONE COMES IN OR GOES OUT OF THE COURTROOM. SO, IF YOU WISH TO LEAVE DURING THE NEXT ANTICIPATED 45 MINUTES, 50 MINUTES, 35 MINUTES -- IT'S HARD TO TELL HOW LONG THE INSTRUCTIONS WILL BE -- I WOULD ASK THAT YOU DO IT NOW. WE DON'T WANT TO DO ANYTHING THAT MIGHT DISTRACT THE JURY FROM ITS OBLIGATION, AND I HAVE ASKED THE MARSHAL TO MAKE SURE OF THAT MATTER.

I REPEAT, ANYONE WHO CANNOT STAY FOR THE ENTIRE LENGTH OF THE INSTRUCTIONS WILL BE ASKED TO LEAVE NOW. ANYONE WHO IS NOT ALREADY IN THE COURTROOM AS THE INSTRUCTIONS BEGIN WILL NOT BE COMING INTO THE COURTROOM. THE REST OF YOU, WE'RE HAPPY TO HAVE YOU HERE.

MAY WE HAVE THE JURY.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: YOU MAY BE SEATED.

LADIES AND GENTLEMEN OF THE JURY: WE COME NOW TO THE FINAL CHAPTER, EXCEPT FOR YOUR DELIBERATIONS, OF THE CASE AND THOSE MATTERS THAT HAVE DEVELOPED DURING THESE PAST SEVERAL DAYS THAT WE HAVE ALL BEEN TOGETHER. AND YOU WILL

NOTE THAT AS I GIVE YOU THESE INSTRUCTIONS WHICH WILL GUIDE YOU THROUGH THE COURSE OF THE CASE, THAT THESE ARE MATTERS THAT GENERALLY I WILL BE READING, BECAUSE WE, THE LAWYERS AND THE COURT, HAVE DECIDED THAT THESE ARE THE WORDS OF THE LAW THAT ARE TO GUIDE YOU DURING THE COURSE OF YOUR DELIBERATIONS.

WE GENERALLY DO OUR BEST, AND I WILL TRY TO DO THE SAME, OF COURSE, IN THIS CASE, TO GIVE YOU THOSE INSTRUCTIONS IN SUCH A MANNER THAT YOU DO NOT TAKE ANY NOTE THAT THE COURT IS MAKING ANY PARTICULAR EMPHASIS ON ANY PARTICULAR WORD. THAT MEANS THAT, BY AND LARGE, I DELIVER THE INSTRUCTIONS TO YOU IN ALMOST A MONOTONE. AND SO, I ASK YOU TO FORGIVE ME FOR THAT IN ADVANCE. AND IF, BY INADVERTENCE, THERE IS ANY EMPHASIS PLACED ON ANY PARTICULAR WORD, PLEASE TAKE IT THAT IT IS JUST THAT: IT IS INADVERTENCE, AND NOT INTENTIONAL.

AND NOW LET US START WITH THE INSTRUCTIONS AS THEY APPLY TO THIS PARTICULAR CASE UPON WHICH YOU HAVE BEEN SITTING WITH THE GREATEST DEGREE OF ATTENTION -- AND WE, ALL OF US, APPRECIATE YOUR CONCERN AND ATTENTION TO THE MATTERS OF MOMENT.

THE FUNCTION OF THE COURT, LADIES AND GENTLEMEN OF THE JURY, IS TO CONDUCT THE TRIAL OF THE CASE IN AS ORDERLY, FAIR AND EFFICIENT MANNER AS POSSIBLE UNDER THE CIRCUMSTANCES OF ANY CASE, AND TO RULE UPON THE QUESTIONS OF LAW THAT ARISE IN THE COURSE OF THE TRIAL, AND THEN, AS NOW I DO, TO INSTRUCT YOU IN THE LAW WHICH APPLIES TO THE CASE. AND IT IS YOUR

DUTY, LADIES AND GENTLEMEN, TO ACCEPT THE LAW AS THE COURT STATES IT TO YOU.

YOU SHOULD CONSIDER ALL OF THE INSTRUCTIONS AS A WHOLE. YOU MAY NOT DISREGARD ANY INSTRUCTION OR GIVE SPECIAL ATTENTION TO ANY ONE INSTRUCTION, OR QUESTION THE WISDOM OF ANY RULE OF LAW.

AND YOUR FUNCTION, LADIES AND GENTLEMEN, AS JURORS, IS TO DETERMINE THE FACTS. YOU ARE THE SOLE AND EXCLUSIVE JUDGES OF THE FACTS. YOU, ALONE, DETERMINE THE WEIGHT, THE EFFECT, AND THE VALUE OF THE EVIDENCE AND THE CREDIBILITY OF THE WITNESSES. YOU SHOULD DETERMINE THE FACTS WITHOUT PREJUDICE, WITHOUT FEAR, WITHOUT SYMPATHY, WITHOUT FAVOR, SOLELY FROM A FULL AND FAIR CONSIDERATION OF THE EVIDENCE.

THE ACTIONS OF THE COURT DURING THE TRIAL IN RULING ON MOTIONS OR OBJECTIONS BY COUNSEL, OR IN COMMENTS TO COUNSEL, OR IN QUESTIONS TO WITNESSES, OR IN SETTING FORTH THE LAW IN THESE INSTRUCTIONS, ARE NOT TO BE TAKEN BY YOU AS ANY INDICATION OF THE COURT'S OPINON AS TO HOW YOU SHOULD DETERMINE THE ISSUES OF FACT. IF YOU BELIEVE THAT THE COURT HAS EXPRESSED OR INTIMATED ANY OPINION AS TO THE FACTS, YOU SHOULD DISREGARD IT. WHAT THE VERDICT SHALL BE IS YOUR SOLE AND EXCLUSIVE DUTY AND RESPONSIBILITY.

AND IF, LADIES AND GENTLEMEN, THERE IS ANY REFERENCE BY THE COURT OR BY COUNSEL TO MATTERS OF EVIDENCE THAT DOES NOT COINCIDE WITH YOUR OWN RECOLLECTION OF THE EVIDENCE, IT

IS YOUR RECOLLECTION WHICH SHOULD CONTROL DURING YOUR DELIBERATIONS.

THE STATEMENTS AND THE ARGUMENTS OF COUNSEL ARE NOT EVIDENCE. THEY ARE ONLY INTENDED TO ASSIST YOU IN UNDERSTANDING THE EVIDENCE AND THE CONTENTIONS OF THE PARTIES.

NOW, LET'S TALK ABOUT EVIDENCE FOR A MOMENT. YOU MAY CONSIDER ONLY THE EVIDENCE WHICH HAS BEEN PROPERLY ADMITTED IN THE CASE. AND EVIDENCE INCLUDES, OF COURSE, THE SWORN TESTIMONY OF THOSE WITNESSES WHO HAVE ADDRESSED YOU FROM THE WITNESS STAND, THE EXHIBITS ADMITTED INTO EVIDENCE, WHICH YOU WILL HAVE BACK WITH YOU IN THE JURY ROOM, AND THOSE FACTS THAT HAVE BEEN STIPULATED TO BY COUNSEL. AND A STIPULATION OF FACT, AS YOU KNOW, BECAUSE I ADVISED YOU OF THIS EACH TIME IT OCCURRED, LADIES AND GENTLEMEN, IS AN AGREED STATEMENT OF FACTS BETWEEN THE COUNSEL, AND YOU MAY REGARD SUCH STIPULATED FACTS AS UNDISPUTED EVIDENCE.

IN YOUR CONSIDERATION OF THE EVIDENCE, YOU ARE NOT LIMITED SOLELY TO WHAT YOU SAW AND HEARD AS THE WITNESSES TESTIFIED OR AS THE EXHIBITS WERE ADMITTED IN EVIDENCE, OR AS THE FACTS WERE STIPULATED TO BY COUNSEL. RATHER, YOU ARE PERMITTED TO DRAW FROM THE FACTS WHICH YOU FIND TO HAVE BEEN PROVEN SUCH REASONABLE INFERENCES AS YOU FEEL ARE JUSTIFIED IN THE LIGHT OF EXPERIENCE.

NOW, CHARTS OR SUMMARIES ADMITTED INTO EVIDENCE HAVE BEEN RECEIVED FOR THE PURPOSE OF REFLECTING FACTS

DISCLOSED BY TESTIMONY, BOOKS, RECORDS, OR OTHER DOCUMENTS WHICH ARE IN EVIDENCE IN THE CASE. SUCH CHARTS OR SUMMARIES ARE NOT, IN AND OF THEMSELVES, EVIDENCE OR PROOF OF ANY FACTS. IF SUCH CHARTS OR SUMMARIES VARY FROM YOUR RECOLLECTION OF THE FACTS, IT IS YOUR RECOLLECTION THAT IS TO CONTROL.

THE INDICTMENT, LADIES AND GENTLEMEN, WHICH I SHALL READ TO YOU SHORTLY ON, IS NOT EVIDENCE. IT IS MERELY A FORMAL MANNER OF ACCUSING A PERSON OF A CRIME IN ORDER TO BRING HIM TO TRIAL. YOU MUST NOT CONSIDER THE INDICTMENT AS ANY EVIDENCE OF THE GUILT OF THE DEFENDANT OR DRAW ANY INFERENCE OF GUILT FROM IT.

A SEPARATE OFFENSE IS CHARGED IN EACH OF THE FOUR COUNTS OF THE INDICTMENT WHICH YOU ARE TO CONSIDER. EACH OFFENSE AND THE EVIDENCE WHICH APPLIES TO IT SHOULD BE CONSIDERED SEPARATELY AND YOU SHOULD RETURN, AS I WILL LATER INDICATE, SEPARATE VERDICTS AS TO EACH COUNT. THE FACT THAT YOU MAY FIND THE DEFENDANT GUILTY OR NOT GUILTY ON ANY ONE COUNT OF THE INDICTMENT SHOULD NOT CONTROL OR INFLUENCE YOUR VERDICT WITH RESPECT TO ANY OTHER COUNT OR COUNTS OF THE INDICTMENT.

IT IS THE DUTY, LADIES AND GENTLEMEN, OF COUNSEL TO OBJECT WHEN THE OTHER SIDE OFFERS TESTIMONY OR OTHER EVIDENCE WHICH COUNSEL BELIEVES IS NOT PROPERLY ADMISSIBLE. SO, IF DURING THE COURSE OF THE TRIAL THE COURT SUSTAINED AN OBJECTION BY ONE COUNSEL TO A QUESTION ASKED BY THE OTHER COUNSEL, YOU ARE TO DISREGARD THE QUESTION, AND YOU MUST NOT SPECULATE AS TO WHAT THE ANSWER WOULD HAVE BEEN. AND IF AFTER A QUESTION WAS ASKED AND AN ANSWER GIVEN BY A WITNESS, IF THE COURT RULED THAT THE ANSWER SHOULD BE STRICKEN FROM THE RECORD, YOU ARE TO DISREGARD BOTH THE QUESTION AND THE ANSWER IN YOUR DELIBERATIONS. AND SIMILARLY, EXHIBITS TO WHICH THE COURT HAS SUSTAINED AN OBJECTION OR WHICH THE COURT HAS ORDERED STRICKEN ARE NOT EVIDENCE, YOU MUST NOT CONSIDER THEM, AND THEY WILL NOT BE SENT BACK TO YOUR JURY ROOM FOR DELIBERATION.

EVERY DEFENDANT, LADIES AND GENTLEMEN, IN A CRIMINAL CASE IS PRESUMED TO BE INNOCENT, AND THIS PRESUMPTION OF INNOCENCE REMAINS WITH THE DEFENDANT THROUGHOUT THE TRIAL, UNLESS AND UNTIL HE IS PROVEN GUILTY BEYOND A REASONABLE DOUBT. THE BURDEN IS ON THE GOVERNMENT TO PROVE THE DEFENDANT GUILTY BEYOND A REASONABLE DOUBT. THIS BURDEN OF PROOF NEVER SHIFTS THROUGHOUT THE TRIAL. THE LAW DOES NOT REQUIRE A DEFENDANT TO PROVE HIS INNOCENCE OR TO PRODUCE ANY EVIDENCE. IF YOU FIND THE GOVERNMENT HAS PROVEN BEYOND A REASONABLE DOUBT EVERY ELEMENT OF THE OFFENSE WITH WHICH THE DEFENDANT IS CHARGED, YOU MAY FIND HIM GUILTY. ON THE OTHER HAND, IF YOU FIND THE GOVERNMENT HAS FAILED TO PROVE ANY ELEMENT OF THE OFFENSE BEYOND A REASONABLE DOUBT, YOU MUST FIND THE DEFENDANT NOT GUILTY.

NOW, LET'S TALK ABOUT REASONABLE DOUBT, IF WE MAY, FOR A MOMENT. AS ITS VERY NAME IMPLIES, IT IS A DOUBT BASED

ON REASON. IT IS A DOUBT FOR WHICH YOU CAN GIVE A REASON. IT IS, AS WE SAY IN THE LAW, SUCH A DOUBT AS WOULD CAUSE A JUROR, AFTER CAREFUL AND CANDID AND IMPARTIAL CONSIDERATION OF ALL OF THE EVIDENCE, TO BE SO UNDECIDED THAT HE OR SHE CANNOT SAY THAT THAT JUROR HAS AN ABIDING CONVICTION OF THE DEFENDANT'S GUILT. IT IS SUCH A DOUBT AS WOULD CAUSE A REASONABLE PERSON TO HESITATE OR PAUSE IN THE GRAVER OR MORE IMPORTANT TRANSACTIONS OF LIFE. HOWEVER, IT IS NOT A FANCIFUL DOUBT NOR A WHIMSICAL DOUBT, NOR A DOUBT BASED ON CONJECTURE. IT IS A DOUBT WHICH IS BASED ON REASON.

THE GOVERNMENT IS NOT REQUIRED TO ESTABLISH GUILT BEYOND ALL DOUBT OR TO A MATHEMATICAL CERTAINTY, OR TO A SCIENTIFIC CERTAINTY. ITS BURDEN IS TO ESTABLISH GUILT BEYOND A REASONABLE DOUBT. THE DEFENDANT IS NOT TO BE CONVICTED ON MERE SUSPICION OR CONJECTURE.

THERE ARE TWO TYPES OF EVIDENCE, LADIES AND GENTLEMEN, FROM WHICH YOU MAY FIND THE TRUTH AS TO THE FACTS OF A CASE: DIRECT EVIDENCE AND CIRCUMSTANTIAL EVIDENCE. AND DIRECT EVIDENCE, OF COURSE, IS THE TESTIMONY OF A PERSON WHO ASSERTS ACTUAL KNOWLEDGE OF A FACT, SUCH AS ONE WHO SAYS -- EYEWITNESS: I SAW THIS, I KNOW THIS, THIS IS THE WAY IT HAPPENED.

CIRCUMSTANTIAL EVIDENCE IS PROOF OF A CHAIN OF FACTS AND CIRCUMSTANCES INDICATING THE GUILT OR THE INNOCENCE OF A DEFENDANT. THE LAW MAKES NO DISTINCTION BETWEEN THE WEIGHT TO BE GIVEN TO EITHER DIRECT OR CIRCUMSTANTIAL EVIDENCE.

NOR IS A GREATER DEGREE OF CERTAINTY REQUIRED OF CIRCUMSTANTIAL EVIDENCE THAN OF DIRECT EVIDENCE.

IN REACHING A VERDICT IN THIS CASE, YOU SHOULD WEIGH ALL OF THE EVIDENCE PRESENTED, WHETHER DIRECT OR CIRCUMSTANTIAL.

IN DETERMINING WHETHER THE GOVERNMENT HAS ESTABLISHED THE CHARGE AGAINST THE DEFENDANT BEYOND A REASONABLE DOUBT, YOU MUST CONSIDER AND WEIGH THE TESTIMONY OF ALL THOSE WITNESSES WHO HAVE APPEARED BEFORE YOU. YOU ARE THE SOLE JUDGES OF THE CREDIBILITY OF THOSE WITNESSES. IN OTHER WORDS, YOU, ALONE, ARE TO DETERMINE WHETHER TO BELIEVE ANY WITNESS, AND THE EXTENT TO WHICH ANY WITNESS SHOULD BE BELIEVED. IF THERE IS ANY CONFLICT IN THE TESTIMONY, IT BECOMES YOUR FUNCTION TO RESOLVE THE CONFLICT AND TO DETERMINE WHERE THE TRUTH LIES.

IN REACHING A CONCLUSION AS TO THE CREDIBILITY OF ANY WITNESS AND IN WEIGHING THE TESTIMONY OF ANY WITNESS, YOU MAY CONSIDER ANY MATTER THAT MAY HAVE A BEARING ON THE SUBJECT AND APPLY YOUR OWN COMMON SENSE. YOU MAY CONSIDER THE DEMEANOR AND THE BEHAVIOR OF THE WITNESS ON THE WITNESS STAND, THE WITNESS' MANNER OF TESTIFYING, WHETHER THE WITNESS IMPRESSES YOU AS A TRUTHFUL INDIVIDUAL, WHETHER THE WITNESS IMPRESSES YOU AS HAVING AN ACCURATE MEMORY AND RECOLLECTION, WHETHER THE WITNESS HAS ANY MOTIVE FOR NOT TELLING THE TRUTH, WHETHER THE WITNESS HAD A FULL OPPORTUNITY TO OBSERVE THE MATTERS CONCERNING WHICH THE WITNESS HAS TESTIFIED, WHETHER THE WITNESS HAS ANY INTEREST IN THE OUTCOME OF THIS CASE OR

FRIENDSHIP OR ANIMOSITY TOWARD PERSONS CONCERNED WITH THIS CASE.

INCONSISTENCIES OR DISCREPANCIES IN THE TESTIMONY OF A WITNESS OR BETWEEN THE TESTIMONY OF DIFFERENT WITNESSES MAY OR MAY NOT CAUSE YOU TO DISCREDIT SUCH TESTIMONY. TWO OR MORE PERSONS WITNESSING AN INCIDENT OR TRANSACTION MAY SEE OR HEAR IT DIFFERENTLY. AN INNOCENT MISRECOLLECTION, LIKE FAILURE OF RECOLLECTION, IS NOT AN UNCOMMON EXPERIENCE. IN WEIGHING THE EFFECT OF THE DISCREPANCY, ALWAYS CONSIDER WHETHER IT PERTAINS TO A MATTER OF IMPORTANT OR UNIMPORTANT DETAIL AND WHETHER THE DISCREPANCY RESULTS FROM INNOCENT ERROR OR INTENTIONAL FALSEHOOD.

YOU MAY CONSIDER THE REASONABLENESS OR UNREASONABLENESS, THE PROBABILITY OR THE IMPROBABILITY OF THE TESTIMONY OF A WITNESS IN DETERMINING WHETHER TO ACCEPT IT AS TRUE AND ACCURATE. YOU MAY CONSIDER WHETHER THE TESTIMONY OF THE WITNESS HAS BEN CONTRADICTED OR CORROBORATED BY OTHER CREDIBLE EVIDENCE.

IF YOU BELIEVE THAT ANY WITNESS HAS SHOWN HIMSELF OR HERSELF TO BE BIASED OR PREJUDICED FOR OR AGAINST EITHER SIDE IN THIS TRIAL, YOU MAY CONSIDER AND DETERMINE WHETHER SUCH BIAS OR PREJUDICE HAS AFFECTED THE TESTIMONY OF SUCH WITNESS SO AS TO AFFECT THE DESIRE AND CAPABILITY OF THAT WITNESS TO TELL THE TRUTH. IN SHORT, LADIES AND GENTLEMEN, YOU SHOULD GIVE THE TESTIMONY OF EACH WITNESS SUCH WEIGHT

AS, IN YOUR JUDGMENT, IT IS FAIRLY ENTITLED TO RECEIVE.

NOW, YOU HAVE HEARD THE TESTIMONY, LADIES AND GENTLEMEN, OF EXPERT WITNESSES, MR. NICHOLS AND MR. SCOTT, WHO WERE IDENTIFIED TO YOU AS SUCH AT THE TIME OF THEIR RESPECTIVE TESTIMONY. AND THE RULES OF EVIDENCE ORDINARILY DO NOT PERMIT WITNESSES TO TESTIFY AS TO OPINIONS OR CONCLUSIONS. AN EXCEPTION TO THIS RULE EXISTS AS TO THOSE WHOM WE CALL EXPERT WITNESSES. AND AN EXPERT WITNESS IN A PARTICULAR FIELD IS PERMITTED TO GIVE HIS OPINION IN EVIDENCE.

WITNESSES WHO, BY EDUCATION AND EXPERIENCE, HAVE BECOME EXPERT IN SOME ART OR PROFESSION OR SCIENCE OR CALLING MAY STATE AN OPINION AS TO RELEVANT AND MATERIAL MATTER IN WHICH THEY PROFESS TO BE EXPERT, AND THEY ALSO MAY STATE THEIR REASONS FOR THEIR OPINION.

YOU ARE NOT BOUND BY THE OPINION OF AN EXPERT. IF YOU SHOULD DECIDE THAT THE OPINION OF AN EXPERT WITNESS IS NOT BASED UPON SUFFICIENT EDUCATION AND EXPERIENCE, OR IF YOU SHOULD CONCLUDE THAT THE REASONS GIVEN IN SUPPORT OF THE OPINION ARE NOT SOUND, OR THAT THE OPINION IS OUTWEIGHED BY OTHER EVIDENCE OR THAT THE OPINION IS AFFECTED BY BIAS OR BY PREJUDICE, YOU MAY DISREGARD THE OPINION IN WHOLE OR IN PART. IN OTHER WORDS, YOU SHOULD CONSIDER THE EXPERT'S TESTIMONY IN CONNECTION WITH THE OTHER EVIDENCE IN THE CASE AND GIVE IT SUCH WEIGHT AS, IN YOUR JUDGMENT, IT IS FAIRLY ENTITLED TO RECEIVE.

AT THE TIME OF THE TESTIMONY OF JOHN D. MEADE, JR., I ADVISED YOU, AND THROUGH INSTRUCTION, THAT THE TESTIMONY OF MR. MEADE MAY BE DISCREDITED OR IMPEACHED BY SHOWING THAT HE HAD BEEN CONVICTED OF A CRIME. AND MR. MEADE'S PRIOR CRIMINAL CONVICTION WAS ADMITTED INTO EVIDENCE SOLELY FOR YOUR CONSIDERATION IN EVALUATING HIS CREDIBILITY AS A WITNESS. YOU MAY CONSIDER HIS PRIOR CONVICTION ONLY IN CONNECTION WITH YOUR EVALUATION OF THE CREDENCE TO BE GIVEN HIS PRESENT TESTIMONY IN COURT.

NOW, LADIES AND GENTLEMEN, WE HAVE AN INDICTMENT THAT WAS FILED IN THIS CASE THAT CONSISTS OF APPROXIMATELY SIX PAGES WHICH I SHALL NOW READ TO YOU. AND THE INDICTMENT, WHICH IS CAPTIONED, AFTER THE HOLDING OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, UNITED STATES OF AMERICA VS. GEORGE VERNON HANSEN, UNDER 18 U.S.C. 1001, FRAUD AND FALSE STATEMENTS, READS AS FOLLOWS: "THE GRAND JURY CHARGES:

"1. AT ALL TIMES PERTINENT HEREIN, GEORGE VERNON HANSEN, DEFENDANT HEREIN, WAS A MEMBER OF THE UNITED STATES HOUSE OF REPRESENTATIVES REPRESENTING THE SECOND DISTRICT OF IDAHO.

"2. AT ALL TIMES PERTINENT HEREIN, THE ETHICS IN GOVERNMENT ACT OF 1978, PUBLIC LAW 95-521, REQUIRED, AMONG OTHER THINGS, THAT EVERY YEAR EACH MEMBER OF THE UNITED STATES HOUSE OF REPRESENTATIVES SUBMIT A REPORT DISCLOSING ITEMS

DESCRIBING THE NATURE AND EXTENT OF FINANCIAL HOLDINGS, LIABILITIES AND TRANSACTIONS, INCLUDING LOANS AND PROFITS FROM COMMODITIES FUTURE SALES OF THE MEMBER DURING THE PREVIOUS CALENDAR YEAR.

"3. AT ALL TIMES PERTINENT HEREIN, THE ETHICS IN GOVERNMENT ACT OF 1978, PUBLIC LAW 95-521, REQUIRED, AMONG OTHER THINGS, THAT EVERY YEAR EACH MEMBER OF THE UNITED STATES HOUSE OF REPRESENTATIVES SUBMIT A REPORT DISCLOSING ITEMS DESCRIBING THE NATURE AND EXTENT OF FINANCIAL HOLDINGS, LIABILITIES AND TRANSACTIONS, INCLUDING LOANS AND PROFITS FROM COMMODITIES FUTURES SALES OF THE MEMBER'S SPOUSE DURING THE PREVIOUS CALENDAR YEAR, UNLESS (A) THE MEMBER CERTIFIES THAT THE ITEMS REPRESENT THE SPOUSE'S SOLE FINANCIAL INTEREST OR RESPONSIBILITY AND WHICH THE MEMBER HAS NO KNOWLEDGE OF, (B) THE ITEMS ARE NOT IN ANY WAY, PAST OR PRESENT, DERIVED FROM INCOME, ASSETS OR ACTIVITIES OF THE MEMBER, AND (C) THE MEMBER NEITHER DERIVES NOR EXPECTS TO DERIVE ANY FINANCIAL OR ECONOMIC BENEFITS FROM THE ITEM.

"COUNT 1.

"4. THE GRAND JURY REALLEGES THE ALLEGATIONS CONTAINED IN PARAGRAPHS 1 AND 2, AND FURTHER ALLEGES THAT,

"5. ON OR ABOUT MAY 15, 1982, IN THE DISTRICT OF COLUMBIA, GEORGE VERNON HANSEN, DEFENDANT HEREIN, DID WILLFULLY AND KNOWINGLY MAKE AND USE AND CAUSE TO BE MADE AND USED A FALSE WRITING AND DOCUMENT, KNOWING IT TO CONTAIN A FALSE, FICTITIOUS AND FRAUDULENT STATEMENT AND ENTRY AS TO MATERIAL FACTS IN A MATTER WITHIN THE JURISDICTION OF THE UNITED STATES HOUSE OF REPRESENTATIVES, A DEPARTMENT OR AGENCY OF THE UNITED STATES, IN THAT IN HIS FINANCIAL DISCLOSURE REPORT FOR CALENDAR YEAR 1981, MADE PURSUANT TO THE ETHICS IN GOVERNMENT ACT OF 1978, PUBLIC LAW 95-521, AND SUBMITTED TO THE UNITED STATES HOUSE OF REPRESENTATIVES, GEORGE VERNON HANSEN MISREPRESENTED THE EXTENT AND THE NATURE OF HIS FINANCIAL LIABILITIES EXISTENT DURING CALENDAR YEAR 1981 IN THAT HE EXCLUDED OUTSTANDING PERSONAL LOANS OF $25,000 AND $60,000 MADE TO HIM BY ODELL ROGERS AND CARL MCAFEE AND AN OUTSTANDING PERSONAL LOAN OF $50,000 MADE TO HIM BY JOHN MEADE, JR., WHEREAS IN TRUTH AND FACT, AS GEORGE VERNON HANSEN THEN KNEW, SAID LOANS WERE MADE, DID EXIST, AND WERE OUTSTANDING DURING CALENDAR YEAR 1981, IN VIOLATION OF TITLE 18 UNITED STATES CODE, SECTION 1001." THAT IS AS TO COUNT 1.

"COUNT 2:

"6. THE GRAND JURY REALLEGES THE ALLEGATIONS CONTAINED IN PARAGRAPHS 1, 2 AND 3, AND FURTHER ALLEGES THAT:

"7. ON OR ABOUT MAY 15, 1981, IN THE DISTRICT OF COLUMBIA, GEORGE VERNON HANSEN, DEFENDANT HEREIN, DID WILLFULLY AND KNOWINGLY MAKE AND USE AND CAUSE TO BE MADE AND USED A FALSE WRITING AND DOCUMENT, KNOWING IT TO CONTAIN A FALSE, FICTITIOUS AND FRAUDULENT STATEMENT AND ENTRY AS TO MATERIAL FACTS IN A MATTER WITHIN THE JURISDICTION OF THE UNITED STATES HOUSE OF REPRESENTATIVES, A DEPARTMENT OR AGENCY OF THE

UNITED STATES, IN THAT IN HIS FINANCIAL DISCLOSURE REPORT FOR CALENDAR YEAR 1980, MADE PURSUANT TO THE ETHICS IN GOVERNMENT ACT OF 1978, PUBLIC LAW 95-521, AND SUBMITTED TO THE UNITED STATES HOUSE OF REPRESENTATIVES, GEORGE VERNON HANSEN MISREPRESENTED THE EXTENT AND NATURE OF HIS AND HIS WIFE'S FINANCIAL LIABILITIES EXISTENT DURING CALENDAR YEAR 1980 IN THAT HE EXCLUDED AN OUTSTANDING PERSONAL LOAN OF $61,503.42 MADE TO GEORGE VERNON HANSEN AND HIS WIFE IN THE NAME OF CONNIE HANSEN BY NELSON BUNKER HUNT, WHEREAS, IN TRUTH AND FACT, AS GEORGE VERNON HANSEN THEN KNEW, SAID LOAN WAS MADE, DID EXIST AND WAS OUTSTANDING DURING CALENDAR YEAR 1980, IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1001."

AS TO COUNT 3 OF THE INDICTMENT, LADIES AND GENTLEMEN, IN PARAGRAPH 8: "THE GRAND JURY REALLEGES THE ALLEGATIONS CONTAINED IN PARAGRAPHS 1, 2 AND 3 AND FURTHER ALLEGES THAT:

"9. ON OR ABOUT MAY 15, 1980, IN THE DISTRICT OF COLUMBIA, GEORGE VERNON HANSEN, DEFENDANT HEREIN, DID WILLFULLY AND KNOWINGLY MAKE AND USE AND CAUSE TO BE MADE AND USED A FALSE WRITING AND DOCUMENT, KNOWING IT TO CONTAIN A FALSE, FICTITIOUS AND FRAUDULENT STATEMENT AND ENTRY AS TO MATERIAL FACTS IN A MATTER WITHIN THE JURISDICTION OF THE UNITED STATES HOUSE OF REPRESENTATIVES, A DEPARTMENT OR AGENCY OF THE UNITED STATES, IN THAT IN HIS FINANCIAL DISCLOSURE REPORT FOR CALENDAR YEAR 1979, MADE PURSUANT TO THE ETHICS IN GOVERNMENT ACT OF

1978, PUBLIC LAW 95-521, AND SUBMITTED TO THE UNITED STATES HOUSE OF REPRESENTATIVES, GEORGE VERNON HANSEN REPRESENTED THAT NEITHER HE NOR HIS WIFE HAD ENGAGED IN A PURCHASE, SALE OR EXCHANGE OF COMMODITIES FUTURES WHICH EXCEEDED $1,000 IN VALUE DURING CALENDAR YEAR 1979, WHEREAS IN TRUTH AND FACT, AS GEORGE VERNON HANSEN THEN KNEW, HE AND HIS WIFE DID ENGAGE IN A COMMODITIES TRANSACTION INVOLVING SILVER FUTURES IN THAT ON JANUARY 16, 1979, THEY PURCHASED 125 SILVER FUTURES CONTRACTS VALUED AT $3,877,800 AND SOLD THOSE CONTRACTS ON JANUARY 18, 1979, WHICH SALE YIELDED TO THEM A PROFIT OF $87,475 DURING CALENDAR YEAR 1979, IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1001."

COURT 4, THE LAST COUNT OF THE INDICTMENT, LADIES AND GENTLEMEN, STATES AS FOLLOWS:

"10. THE GRAND JURY REALLEGES THE ALLEGATIONS CONTAINED IN PARAGRAPHS 1, 2 AND 3, AND FURTHER ALLEGES THAT:

"11. ON OR ABOUT MAY 15, 1979, IN THE DISTRICT OF COLUMBIA, GEORGE VERNON HANSEN, DEFENDANT HEREIN, DID WILLFULLY AND KNOWINGLY MAKE AND USE AND CAUSE TO BE MADE AND USED A FALSE WRITING AND DOCUMENT, KNOWING IT TO CONTAIN A FALSE, FICTITIOUS AND FRAUDULENT STATEMENT AND ENTRY AS TO MATERIAL FACTS IN A MATTER WITHIN THE JURISDICTION OF THE UNITED STATES HOUSE OF REPRESENTATIVES, A DEPARTMENT OR AGENCY OF THE UNITED STATES, IN THAT IN HIS FINANCIAL DISCLOSURE REPORT FOR CALENDAR YEAR 1978, MADE PURSUANT TO THE ETHICS

IN GOVERNMENT ACT OF 1978, PUBLIC LAW 95-521, AND SUBMITTED TO THE UNITED STATES HOUSE OF REPRESENTATIVES, GEORGE VERNON HANSEN MISREPRESENTED THE EXTENT AND NATURE OF HIS AND HIS WIFE'S FINANCIAL LIABILITIES EXISTENT DURING CALENDAR YEAR 1978 IN THAT HE EXCLUDED AN OUTSTANDING PERSONAL LOAN OF $50,000 MADE TO GEORGE VERNON HANSEN AND HIS WIFE IN THE NAME OF THE CONNIE HANSEN BY THE FIRST NATIONAL BANK IN DALLAS AND GUARANTEED BY NELSON BUNKER HUNT, WHEREAS IN TRUTH AND FACT, AS GEORGE VERNON HANSEN THEN KNEW, SAID LOAN DID EXIST AND WAS OUTSTANDING DURING CALENDAR YEAR 1978, IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1001."

THAT IS SIGNED BY THE FOREMAN AS A TRUE BILL. AND A COPY OF THE INDICTMENT WILL BE BACK WITH YOU, LADIES AND GENTLEMEN, IN THE JURY ROOM.

NOW, YOU WILL NOTE THAT AS I READ TO YOU THE INDICTMENT, IT CHARGED THAT THE OFFENSE WAS COMMITTED ON OR ABOUT, AND IT STATED CERTAIN DATES: MAY 15 IN THE YEARS 1982, 1981, 1980, 1979, FOR THE COUNTS 1, 2, 3 AND 4, RESPECTIVELY, AND THAT AS TO CERTAIN ACTS THEREIN, THERE WERE ALLEGATIONS THAT THEY WERE COMMITTED ON OR ABOUT CERTAIN DATES THAT WERE SPECIFIED THEREIN. THE PROOF, LADIES AND GENTLEMEN OF THE JURY, NEED NOT ESTABLISH WITH CERTAINTY THE EXACT DATE OF THE ALLEGED OFFENSE. IT IS SUFFICIENT THAT THE EVIDENCE IN THE CASE ESTABLISHES BEYOND A REASONABLE DOUBT THAT EACH OF THE ACTS CHARGED HEREIN WERE COMMITTED ON A DATE REASONABLY

NEAR THE DATE ALLEGED.

NOW, YOU HAVE HEARD ME MENTION 18 U. S. CODE 1001, AND BY THIS INDICTMENT, THE DEFENDANT IS CHARGED WITH VIOLATION OF THAT STATUTE, THE FALSE STATEMENT STATUTE, WHICH READS, IN PERTINENT PART, AS FOLLOWS:

"WHOEVER IN ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES KNOWINGLY AND WILLFULLY MAKES OR USES ANY FALSE WRITING OR DOCUMENT KNOWING THE SAME TO CONTAIN ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENT OR ENTRY IS GUILTY OF AN OFFENSE AGAINST THE UNITED STATES."

THERE ARE FOUR ESSENTIAL ELEMENTS IN THAT STATUTE, LADIES AND GENTLEMEN, EACH OF WHICH THE GOVERNMENT MUST PROVE BEYOND A REASONABLE DOUBT: (1) THAT MR. HANSEN MADE OR USED A WRITING OR DOCUMENT; (2) THAT CONTAINED A FALSE, FICTITIOUS, OR FRAUDULENT STATEMENT OR ENTRY OF A MATERIAL FACT OR FACTS; (3) THAT THE DEFENDANT ACTED KNOWINGLY AND WILLFULLY; (4) THAT THE WRITING OR DOCUMENT WAS IN CONNECTION WITH A MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY OR THE UNITED STATES.

LET ME TAKE EACH ONE OF THOSE ELEMENTS AND EXPLAIN THEM TO YOU A LITTLE BIT MORE FULLY.

A FINANCIAL DISCLOSURE STATEMENT SUBMITTED BY A CONGRESSMAN IS A WRITING OR A DOCUMENT WITHIN THE MEANING OF THE STATUTE. A STATEMENT IS FALSE OR FICTITIOUS IF UNTRUE

BY THE PERSON MAKING IT OR CAUSING IT TO BE MADE. A STATEMENT OR REPRESENTATION IS FRAUDULENT IF KNOWN TO BE UNTRUE AND MADE OR CAUSED TO BE MADE WITH THE INTENT TO DECEIVE OR MISLEAD THE GOVERNMENT AGENCY TO WHICH IT IS SUBMITTED.

THE WORD "FALSE" MUST BE CONSIDERED TOGETHER WITH THE WORDS "KNOWINGLY" AND "WILLFULLY." AN ACT IS DONE KNOWINGLY IF DONE VOLUNTARILY AND INTENTIONALLY, AND NOT BECAUSE OF MISTAKE OR ACCIDENT OR OTHER INNOCENT REASON. AN ACT IS DONE WILLFULLY IF DONE VOLUNTARILY AND INTENTIONALLY AND WITH THE SPECIFIC INTENT TO DO SOMETHING THE LAW FORBIDS. THAT IS TO SAY, WITH BAD PURPOSE EITHER TO DISOBEY OR TO DISREGARD THE LAW.

THE WORD "KNOWINGLY" IS ADDED IN ORDER TO INSURE THAT NO ONE WOULD BE CONVICTED WHO MADE OR CAUSED TO BE MADE A STATEMENT OR REPRESENTATION WHICH WAS FALSE BECAUSE OF MISTAKE OR ACCIDENT OR OTHER INNOCENT REASON.

THE UNITED STATES HOUSE OF REPRESENTATIVES IS AN AGENCY OF THE UNITED STATES. FINANCIAL DISCLOSURE STATEMENTS ARE MATTERS WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES.

THE MAKING OF A FALSE STATEMENT, LADIES AND GENTLEMEN, TO AN AGENCY OF THE UNITED STATES GOVERNMENT IS NOT AN OFFENSE UNLESS THE STATEMENT MADE IS A MATERIAL STATEMENT. THE ISSUE OF MATERIALITY, HOWEVER, IS NOT SUBMITTED TO YOU FOR YOUR DECISION, BUT, RATHER, IS A MATTER FOR THE DECISION

OF THE COURT.

YOU ARE INSTRUCTED THAT THE STATEMENTS CHARGED IN THE INDICTMENT ARE MATERIAL STATEMENTS. WITH THIS RULING, YOU ARE NOT TO CONSIDER WHETHER OR NOT THE UNITED STATES HOUSE OF REPRESENTATIVES WAS ACTUALLY DECEIVED OR MISLED BY THOSE STATEMENTS. THE ISSUE FOR YOU TO DECIDE IS WHETHER OR NOT MR. HANSEN INTENDED TO DECEIVE OR MISLEAD BY HIS SUBMISSIONS.

THE ETHICS IN GOVERNMENT ACT, LADIES AND GENTLEMEN, ENACTED IN 1978, REQUIRES THAT CONGRESSMEN DISCLOSE CERTAIN OUTSIDE COMPENSATION AND BUSINESS TRANSACTIONS IN ANNUAL PERSONAL FINANCIAL DISCLOSURE REPORTS FILED WITH THE CLERK OF THE HOUSE BY MAY 15TH OF EACH YEAR. THE REPORT MUST DETAIL FINANCIAL INFORMATION FOR THE PRECEDING CALENDAR YEAR CONCERNING SEVERAL SPECIFIED AREAS, INCLUDING DEBTS, WHICH ARE LIABILITIES EXCEEDING $10,000, EXCLUDING MORTGAGES ON A PERSONAL RESIDENCE, MUST BE DISCLOSED; COMMODITIES FUTURES TRANSACTIONS, A DESCRIPTION, THE DATE AND THE VALUE OF ANY PURCHASE, SALE OR EXCHANGE IN COMMODITIES FUTURES MUST BE DISCLOSED.

NOW, SECTION 702(D)(1) OF THE ETHICS IN GOVERNMENT ACT PROVIDES THAT FINANCIAL DISCLOSURE STATEMENTS BY CONGRESSMEN MUST CONTAIN FINANCIAL INFORMATION RESPECTING THE SPOUSE OF THE CONGRESSMAN OTHER THAN ITEMS WHICH THE CONGRESSMAN CERTIFIES REPRESENT THE SPOUSE'S SOLE FINANCIAL INTEREST OR RESPONSIBILITY AND WHICH THE CONGRESSMAN HAS NO KNOWLEDGE OF, WHICH ARE NOT IN ANY WAY, PAST OR PRESENT, DERIVED FROM

THE INCOME, ASSETS OR ACTIVITIES OF THE CONGRESSMAN AND FROM WHICH THE CONGRESSMAN NEITHER DERIVES NOR EXPECTS TO DERIVE ANY FINANCIAL OR ECONOMIC BENEFIT.

THE ACT FURTHER PROVIDES, LADIES AND GENTLEMEN, THAT NO REPORT SHALL BE REQUIRED WITH RESPECT TO A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING INDIVIDUAL WITH THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION, OR WITH RESPECT TO ANY INCOME OR OBLIGATIONS OF AN INDIVIDUAL ARISING FROM THE DISSOLUTION OF HIS MARRIAGE OR THE PERMANENT SEPARATION FROM HIS SPOUSE.

NOW, YOU HAVE HEARD ME MENTION THE WORD "INTENT". LET'S TALK ABOUT THAT, IF WE MAY, FOR A MOMENT, LADIES AND GENTLEMEN. INTENT MEANS, OF COURSE, THAT A PERSON HAD THE PURPOSE TO DO A THING. IT MEANS THAT HE ACTED OR FAILED TO ACT WITH THE WILL TO DO OR TO NOT DO A THING. IT MEANS THAT HE ACTED OR FAILED TO ACT CONSCIOUSLY OR VOLUNTARILY, AND NOT INADVERTENTLY OR ACCIDENTALLY.

THE ESSENTIAL ELEMENT OF THESE OFFENSES CHARGED IN THIS INDICTMENT IS SPECIFIC INTENT. SPECIFIC INTENT REQUIRES MORE THAN A MERE GENERAL INTENT TO ENGAGE IN CERTAIN CONDUCT OR TO DO CERTAIN ACTS. A PERSON WHO KNOWINGLY DOES AN ACT WHICH THE LAW FORBIDS, INTENDING WITH BAD PURPOSE EITHER TO DISOBEY OR DISREGARD THE LAW, MAY BE FOUND TO ACT WITH SPECIFIC INTENT.

NOW, INTENT, OF COURSE, IS A STATE OF MIND, WHICH

IS NEITHER PRESUMED NOR ASSUMED BY THE LAW. HOWEVER, INTENT ORDINARILY CANNOT BE PROVED DIRECTLY BECAUSE, CLEARLY, THERE IS NO WAY OF FATHOMING OR SCRUTINIZING THE OPERATIONS OF THE HUMAN MIND. BUT YOU MAY INFER THE DEFENDANT'S INTENT FROM THE SURROUNDING CIRCUMSTANCES. YOU MAY CONSIDER ANY STATEMENT MADE, AN ACT DONE OR OMITTED BY THE DEFENDANT, AND ALL OTHER FACTS AND CIRCUMSTANCES IN EVIDENCE WHICH INDICATE HIS STATE OF MIND. YOU MAY INFER THAT A PERSON ORDINARILY INTENDS THE NATURAL AND PROBABLE CONSEQUENCES OF ACTS KNOWINGLY DONE OR KNOWINGLY OMITTED. HOWEVER, YOU SHOULD CONSIDER ALL OF THE CIRCUMSTANCES IN EVIDENCE THAT YOU DEEM RELEVANT IN DETERMINING WHETHER THE GOVERNMENT HAS PROVED BEYOND A REASONABLE DOUBT THAT MR. HANSEN ACTED WITH THE REQUIRED INTENT.

THE DEFENDANT'S THEORY OF THE CASE, IN THIS CASE, LADIES AND GENTLEMEN, IS THAT HIS FAILURE TO INCLUDE LIABILITIES AND TRANSACTIONS IN HIS SPOUSE'S NAME ON HIS ETHICS IN GOVERNMENT ACT FORMS WERE NOT VIOLATIONS OF SECTION 1001 BECAUSE MR. HANSEN ALLEGES HE BELIEVED IN GOOD FAITH THAT HE WAS NOT REQUIRED BY LAW TO ENUMERATE THESE LIABILITIES AND TRANSACTIONS IN HIS SPOUSE'S NAME. WITH REGARD TO THOSE LIABILITIES AND TRANSACTIONS, THE DEFENDANT ASSERTS THAT HE BELIEVED THAT THE PROPERTY SETTLEMENT AGREEMENT WITHDREW MRS. HANSEN'S INDIVIDUAL LIABILITIES AND TRANSACTIONS FROM THE REPORTING OBLIGATIONS OF THE ETHICS IN GOVERNMENT ACT.

WITH REGARD TO THE NON-REPORTING OF LOANS ALLEGED

IN COUNT 1, MR. HANSEN SAYS THAT THEY WERE SOLICITED AS FINANCIAL ASSISTANCE FOR A PROJECT CALLED THE ASSOCIATION OF CONCERNED TAXPAYERS AND THAT THEY WERE, IN PRACTICAL EFFECT, LOANS TO THAT ORGANIZATION, ALBEIT GUARANTEED BY MR. HANSEN.

ON CROSS-EXAMINATION, MR. HUNT, MR. MCAFEE AND MR. NIELSON TESTIFIED AS TO THE DEFENDANT'S GOOD CHARACTER. THIS EVIDENCE CONSISTED OF TESTIMONY THAT THE DEFENDANT HAS A GOOD REPUTATION IN THE COMMUNITY FOR TRUTH AND VERACITY AND THAT IN THAT WITNESS' OPINION MR. HANSEN IS A TRUTHFUL INDIVIDUAL. SUCH EVIDENCE MAY INDICATE TO YOU THAT IT IS IMPROBABLE THAT A TRUTHFUL PERSON WOULD COMMIT THE CRIME CHARGED. YOU SHOULD CONSIDER THIS EVIDENCE ALONG WITH OTHER EVIDENCE IN THE CASE IN DETERMINING THE GUILT OR INNOCENCE OF THE DEFENDANT, AND SHOULD GIVE IT SUCH WEIGHT AS, IN YOUR JUDGMENT, IT IS FAIRLY ENTITLED TO RECEIVE.

NOTWITHSTANDING EVIDENCE OF GOOD CHARACTER AND REPUTATION, YOU MAY CONVICT THE DEFENDANT IF AFTER WEIGHING ALL THE EVIDENCE, INCLUDING THE EVIDENCE OF GOOD CHARACTER, YOU ARE CONVINCED BEYOND A REASONABLE DOUBT THAT THE DEFENDANT IS GUILTY OF THE CRIME CHARGED. ON THE OTHER HAND, THE CIRCUMSTANCES MAY BE SUCH THAT EVIDENCE OF GOOD CHARACTER MAY, ALONE, CREATE A REASONABLE DOUBT OF THE DEFENDANT'S GUILT, ALTHOUGH WITHOUT IT THE OTHER EVIDENCE WOULD BE CONVINCING. IF YOU HAVE A REASONABLE DOUBT AS TO THE DEFENDANT'S GUILT, YOU MUST

FIND HIM NOT GUILTY.

AN IMPORTANT CONCEPT OF LAW IN ANY CASE WHERE SPECIFIC INTENT IS A REQUISITE ELEMENT IS THE CONCEPT OF GOOD FAITH. I WISH TO SPEAK TO YOU FOR A MOMENT ABOUT GOOD FAITH.

GOOD FAITH CONSTITUTES A COMPLETE DEFENSE TO ONE CHARGED WITH AN OFFENSE OF WHICH FRAUDULENT INTENT IS AN ESSENTIAL ELEMENT. ONE WHO ACTS WITH HONEST INTENTION IS NOT CHARGEABLE WITH FRAUDULENT INTENT. ONE WHO ACTS ON THE BASIS OF ANY OPINION HONESTLY ENTERTAINED BY HIM IS NOT CHARGEABLE WITH FRAUDULENT INTENT EVEN THOUGH SUCH OPINION IS ERRONEOUS OR SUCH BELIEF IS A MISTAKEN BELIEF. EVIDENCE WHICH ESTABLISHES ONLY THAT A PERSON HAS MADE A MISTAKE IN JUDGMENT OR AN ERROR IN MANAGEMENT OR WAS CARELESS DOES NOT ESTABLISH FRAUDULENT INTENT. IN ORDER TO ESTABLISH FRAUDULENT INTENT ON THE PART OF A PERSON, IT MUST BE ESTABLISHED THAT SUCH PERSON KNOWINGLY AND INTENTIONALLY ATTEMPTED TO DECEIVE OR MISLEAD.

THE DEFENDANT CLAIMS THAT HE IS NOT GUILTY OF WILLFUL WRONGDOING BECAUSE HE ACTED ON THE BASIS OF ADVICE FROM HIS ATTORNEY. IF MR. HANSEN, BEFORE TAKING ANY ACTION, SOUGHT THE ADVICE OF AN ATTORNEY WHOM HE CONSIDERED COMPETENT IN GOOD FAITH AND FOR THE PURPOSE OF SECURING ADVICE ON THE LAWFULNESS OF HIS POSSIBLE FUTURE CONDUCT AND MADE A FULL AND ACCURATE REPORT TO HIS ATTORNEY OF ALL MATERIAL FACTS OF WHICH HE HAS THE MEANS OF KNOWLEDGE AND ACTED STRICTLY IN ACCORDANCE

WITH THE ADVICE OF HIS ATTORNEY GIVEN FOLLOWING HIS FULL REPORT, THEN THE DEFENDANT WOULD NOT BE WILLFULLY DOING WRONG IN DOING OR OMITTING SOMETHING WHICH THE LAW FORBIDS OR REQUIRES AS THAT TERM IS USED IN THESE INSTRUCTIONS, EVEN IF SUCH ADVICE WAS AN INACCURATE CONSTRUCTION OF THE LAW.

WHETHER THE DEFENDANT ACTED IN GOOD FAITH FOR THE PURPOSE OF SEEKING GUIDANCE AS TO QUESTIONS ABOUT WHICH HE WAS IN DOUBT, AND WHETHER HE MADE A FULL AND COMPLETE REPORT TO HIS ATTORNEY, AND WHETHER HE ACTED STRICTLY IN ACCORDANCE WITH THE ADVICE RECEIVED, ARE QUESTIONS FOR YOU TO DETERMINE.

EVERY DEFENDANT, LADIES AND GENTLEMEN, IN A CRIMINAL CASE HAS THE ABSOLUTE RIGHT NOT TO TESTIFY. YOU MUST NOT DRAW ANY INFERENCE OF GUILT AGAINST MR. HANSEN BECAUSE HE DID NOT TESTIFY.

THE QUESTION OF POSSIBLE PUNISHMENT OF MR. HANSEN IN THE EVENT OF CONVICTION IS OF NO CONCERN OF THE JURY AND SHOULD NOT ENTER INTO OR INFLUENCE YOUR DELIBERATIONS IN ANY WAY. THE DUTY OF IMPOSING SENTENCE IN THE EVENT OF CONVICTION RESTS EXCLUSIVELY UPON THE COURT, AND THE COURT HAS WIDE LATITUDE IN SUCH MATTERS.

YOU SHOULD WEIGH THE EVIDENCE IN THE CASE AND DETERMINE THE GUILT OR INNOCENCE OF THE DEFENDANT SOLELY UPON THE BASIS OF SUCH EVIDENCE, WITHOUT ANY CONSIDERATION OF THE MATTER OF PUNISHMENT.

ONCE AGAIN, LADIES AND GENTLEMEN, I REMIND YOU AND

INSTRUCT YOU THAT A SEPARATE OFFENSE IS CHARGED IN EACH OF THE FOUR COUNTS OF THE INDICTMENT WHICH YOU ARE ABOUT TO CONSIDER. EACH OFFENSE, AND THE EVIDENCE WHICH APPLIES TO IT, SHOULD BE CONSIDERED SEPARATELY, AND YOU SHOULD RETURN SEPARATE VERDICTS AS TO EACH COUNT.

THE FACT THAT YOU MAY FIND THE DEFENDANT GUILTY OR NOT GUILTY ON ANY ONE COUNT OF THE INDICTMENT SHOULD NOT CONTROL OR INFLUENCE YOUR VERDICT WITH RESPECT TO ANY OTHER COUNT OR COUNTS OF THIS INDICTMENT. AND FOR THAT PURPOSE, A VERY SIMPLE VERDICT FORM WILL BE SENT BACK TO YOU IN THE JURY ROOM TO ACCOMPANY THE EXHIBITS, WHICH MERELY STATES, "AS TO COUNT 1", AND THEN IT HAS A BLANK, "NOT GUILTY", IT HAS A BLANK, "GUILTY." IT IS UP TO YOU TO CHECK OR TO PUT AN IDENTIFYING MARK IN WHICHEVER BLOCK IT BELONGS AFTER YOU HAVE CONSIDERED EACH ONE OF THE FOUR COUNTS SEPARATELY.

YOU WILL NOTE THAT THE VERDICT FORM HAS A PLACE FOR THE SIGNATURE OF THE FOREPERSON -- I WILL GET TO THAT IN A MOMENT -- AND IT IS TO BE INITIALED BY EACH OF THE JURORS, INCLUDING THAT FOREPERSON, SO THAT WE WILL KNOW THAT EACH ONE OF YOU HAS SEEN AND ACCEPTS THAT STATEMENT THAT IS BEING PLACED ON THE VERDICT FORM.

LADIES AND GENTLEMEN, I MENTIONED THE EXHIBITS, AND ALL OF THE EXHIBITS WHICH HAVE BEEN ADMITTED INTO EVIDENCE WILL BE SENT BACK WITH YOU TO THE JURY ROOM TO ACCOMPANY YOU DURING THE COURSE OF YOUR DELIBERATIONS.

MAY I SEE COUNSEL AT THE BENCH FOR A MOMENT, PLEASE?

(AT THE BENCH)

THE COURT: ALL RIGHT. COUNSEL SATISFIED WITH THE GIVING OF THE INSTRUCTIONS? THERE ARE JUST TWO MORE: ONE ABOUT THE UNANIMITY OF DECISION AND THE FINAL ONE ABOUT COMMUNICATIONS. AND I WILL TELL THE JURORS THAT WE ARE GOING TO PUT THE TWO ALTERNATE JURORS IN A SEPARATE ROOM. I HAVE TALKED TO THE MARSHAL ABOUT THAT. I THINK WE VERY SERIOUSLY HAVE TO TALK ABOUT THAT LATER ON AS THE DAY GROWS LONGER. BUT WE WILL TAKE IT AS IT COMES AT THE MOMENT.

ALL RIGHT?

MR. WEINGARTEN: FINE.

THE COURT: FINE?

MR. LEWIN: YOUR HONOR, YES. SUBJECT ONLY TO WHATEVER WE HAD SAID ON FRIDAY.

THE COURT: I TOLD YOU ON FRIDAY, AND I REPEAT IT AGAIN, WHATEVER OBJECTIONS YOU MADE THEN ARE, OF COURSE, PRESERVED FOR THE RECORD.

MR. LEWIN: FINE.

MR. WEINGARTEN: IT WAS A GOOD CHARGE.

(IN OPEN COURT)

THE COURT: LADIES AND GENTLEMEN OF THE JURY, UPON RETIRING TO THE JURY ROOM, YOU WILL SELECT ONE FROM AMONG YOUR NUMBER TO ACT AS FOREPERSON. THAT FOREPERSON WILL PRESIDE OVER YOUR DELIBERATIONS AND WILL BE YOUR SPOKESPERSON

BEFORE THE COURT IN THE EVENT THAT THERE IS ANY MATTER ABOUT WHICH YOU WISH TO COMMUNICATE WITH THE COURT. PLEASE REMEMBER THAT THE VERDICTS, ONE FOR EACH COUNT, MUST REPRESENT THE CONSIDERED JUDGMENT OF EACH JUROR. IN ORDER TO RETURN THE VERDICTS, IT IS NECESSARY THAT EACH JUROR AGREE TO EACH OF THE VERDICTS. YOUR VERDICT AS TO EACH COUNT MUST BE UNANIMOUS, ALL 12 OF YOU AGREEING.

NOW, I WILL BE, WITH THE CONSENT OF THE COUNSEL AND MR. HANSEN, AND WITH REFERENCE TO OUR TWO ALTERNATE JURORS, SEPARATING THE 12 JURORS WHO ARE SEATED NEARER TO THE MARSHAL AND NEARER TO THE JURY ROOM FROM EACH OTHER. THE TWO ALTERNATE JURORS WILL BE PLACED FOR THE TIME BEING IN A SEPARATE ROOM, AND WE WILL TELL THEM LATER ON DURING THE COURSE OF THE DAY OR EARLY EVENING THAT WE HAVE NOT FORGOTTEN THEM.

AS TO THE 12 JURORS, WE ASK THAT YOU CONSIDER AND WEIGH THE EVIDENCE AS I HAVE DISCUSSED AND DO YOUR DELIBERATIONS ONE WITH THE OTHER.

IF IT BECOMES NECESSARY, LADIES AND GENTLEMEN, DURING THE COURSE OF YOUR DELIBERATIONS TO COMMUNICATE WITH THE COURT, YOU MAY SEND A NOTE BY THE MARSHAL, WHO WILL BE SEATED OUTSIDE OF YOUR JURY ROOM. THAT NOTE SHOULD BE SIGNED BY YOUR FOREPERSON. IN THE EVENT OF THE INABILITY OF THE FOREPERSON TO SIGN THAT NOTE, THEN IT MAY BE SIGNED BY ONE OR ANOTHER MEMBER OF THE JURY.

NO MEMBER OF THE JURY, LADIES AND GENTLEMEN, SHOULD

EVER ATTEMPT TO COMMUNICATE WITH THE COURT BY ANY MEANS OTHER THAN A SIGNED WRITING; AND THE COURT, OF COURSE, WILL NEVER COMMUNICATE WITH ANY MEMBER OF THE JURY ON ANY SUBJECT TOUCHING THE MERITS OF THE CASE OTHERWISE THAN IN WRITING OR ORALLY RIGHT HERE IN OPEN COURT WITH THE COUNSEL AND THE DEFENDANT PRESENT.

BEAR IN MIND, LADIES AND GENTLEMEN, THAT YOU ARE NEVER TO REVEAL TO ANY PERSON, NOT EVEN TO THE COURT, HOW THE JURY STANDS, NUMERICALLY OR OTHERWISE, ON THE QUESTION OF THE GUILT OR THE INNOCENCE OF THE ACCUSED UNTIL AFTER YOU HAVE REACHED A UNANIMOUS VERDICT.

ONCE AGAIN, SO THAT YOU IN NO WISE THINK THAT I AM COMMENTING ON WHATEVER THAT VERDICT MIGHT BE, LET ME EXPRESS NOT ONLY THE HEARTFELT APPRECIATION OF THE COURT, BUT I AM CONFIDENT THE APPRECIATION OF ALL THOSE PERSONS WHO HAVE BEEN INVOLVED IN THIS CASE THROUGH THESE LAST SEVERAL DAYS, FOR YOUR ABSOLUTELY INCREDIBLE PATIENCE, YOUR RIVETED ATTENTION ON THE EVIDENCE IN THE CASE AND ALL ACTIVITIES INVOLVED IN THE CASE, AND OUR TRUE APPRECIATION FOR THE FACT THAT WE HAVE HAD TO SEQUESTER THIS JURY AND THAT YOU HAVE SUFFERED PERHAPS SOME INCONVENIENCE. WE THANK YOU, INDEED, FOR YOUR COMMUNITY SERVICE IN THIS REGARD, WHICH HAS BEEN SIGNIFICANT.

AND NOW, WITH THOSE WORDS, WE WILL SEND OUR 12 JURORS INTO THE JURY ROOM TO NOW, FINALLY, START UPON YOUR

DELIBERATIONS IN THIS CASE AFTER YOU HAVE PICKED A FOREPERSON. AND TO THE REMAINING TWO JURORS, THAT IS, OUR TWO ALTERNATE JURORS, WE WILL ASK THAT THE MARSHALS SEE THAT THERE IS A SEPARATE ROOM IN WHICH YOU CAN BE COMFORTABLE, ALSO.

GOOD LUCK.

(THE JURY RETIRED TO COMMENCE DELIBERATIONS AT 3:00 P.M.)

THE COURT: TO THE COUNSEL AND TO MR. HANSEN, WE ARE GOING TO SEND THE EXHIBITS RIGHT BACK THROUGH THE MARSHAL. WHILE THAT IS BEING DONE AND WHILE THE VERDICT FORM IS ACCOMPANYING THAT MATTER, LET ME FIND OUT WHERE I'M GOING TO FIND YOU AS THE OCCASION MAY ARISE. WE DID AGREE EARLIER ON THAT WE WOULD STAY HERE, IF NEED BE, UNTIL 8:00 OR 8:30 THIS EVENING, AT WHICH TIME WE WILL, OF COURSE, GATHER AND RETIRE THE JURY FOR THE EVENING. HOWEVER, LET'S TALK ABOUT WHAT WILL HAPPEN BETWEEN NOW AND THEN, AND HOW ON VERY SHORT NOTICE I WOULD BE ABLE TO COMMUNICATE WITH AT LEAST ONE COUNSEL -- ONE AUTHORITATIVE COUNSEL ON EACH SIDE OF THE TABLE SO THAT IF WE HAVE A SIMPLE OR MORE COMPLEX MESSAGE FROM THE JURY, SHORT OF A VERDICT, THAT WE BE ABLE TO COME TOGETHER.

MR. WEINGARTEN.

MR. WEINGARTEN: WE'LL BE DOWNSTAIRS. 633-4945.

THE COURT: SAY IT AGAIN?

MR. WEINGARTEN: 633-4945.

THE COURT: DO YOU HAVE THAT, MR. WOOD?

THE DEPUTY CLERK: YES, I DO.

THE COURT: VERY GOOD. AND MR. LEWIN?

MR. LEWIN: OUR INTENTION IS TO REMAIN AVAILABLE EITHER IN THE HALL OR NEARBY.

THE COURT: FINE. AS LONG AS YOU ARE IN THE GENERAL VICINITY. AND IF YOU WISH TO DEPART FROM THE GENERAL VICINITY, JUST LET SOMEONE IN CHAMBERS OR SOMEONE IN THE COURTROOM KNOW THAT. THE WHOLE PURPOSE BEING, OF COURSE, THAT THE SOONER WE CAN RESPOND TO WHATEVER COMMUNICATION, IF ANY, WE RECEIVE FROM THE JURY, THE QUICKER WE CAN MOVE ON THE ENTIRE MATTER.

SIMILARLY, OF COURSE, FOR MR. HANSEN. WE WILL NEED HIS PRESENCE AS EQUALLY AS WE NEED THAT OF COUNSEL.

MR. LEWIN: THANK YOU, YOUR HONOR.

THE COURT: ALL RIGHT.

MR. WEINGARTEN: THE CHARTS WILL GO OUT, YOUR HONOR?

THE COURT: THE CHARTS WILL GO. ANYTHING THAT IS IN EVIDENCE. JOE? YES. HE IS NODDING HIS HEAD. IT TAKES A FEW MOMENTS TO DO THOSE ARRANGEMENTS, WHICH WILL BE DONE AS SOON AS I DEPART.

(WHEREUPON, AT 3:02 P.M., THE COURT RECESSED, AND RECONVENED IN CHAMBERS AT 4:26 P.M.)

(IN CHAMBERS)

THE COURT: MR. LEWIN HAS ASKED THAT THERE BE A COURT REPORTER PRESENT, WHICH IS PRESENT.

WE HAVE RECEIVED A NOTE FROM THE JURY AT 4:09 P.M.

TODAY. IT IS NOW 4:26 P.M. THE NOTE IS SIGNED BY WHAT APPEARS TO BE DONNETTA GAITHER, FOREPERSON, AND SAYS: "WE WANT THE TESTIMONY OF: MR. RUNFT, COUNSEL TO CONG." -- AN ABBREVIATION FOR "CONGRESSMAN HANSEN" -- AND THEN IT SAYS, "FOR THIS TRIAL."

NOW, THE QUESTION THAT WE HAVE STARTED TO TALK ABOUT IN OUR COLLOQUY BACK HERE IS WE ARE ALL AWARE THAT WE HAVE TRANSCRIBED TESTIMONY, BECAUSE THE COUNSEL, EITHER OR BOTH OF THEM, HAD ORDERED DAILY COPY. I HAVE JUST BRIEFLY LOOKED OVER THE VERY LENGTHY TESTIMONY OF MR. RUNFT, WHO TESTIFIED ON THE 27TH OF MARCH, 1984, AND WHOSE TESTIMONY, ACCORDING TO THE INDEX, BEGINS ON PAGE 1008 FOR DIRECT, CROSS IS AT 1,101, REDIRECT 1,155, AND RECROSS IS 1,161. SO, AS WE CAN SEE, SLIGHTLY IN EXCESS OF 150, 160 PAGES OF TRANSCRIPT.

THE COURT'S RECOMMENDATION HAD BEEN, AS IS THE CUSTOMARY MATTER IN THIS JURISDICTION -- THESE QUESTIONS HAVE COME UP BEFORE -- THAT WE WOULD TELL THE JURY SOMETHING TO THE EFFECT THAT THE TRANCRIBED TESTIMONY OF THIS WITNESS AND ANY OTHER WITNESS -- THE LATTER, OF COURSE, TO FORESTALL ANY SIMILAR KIND OF REQUEST IN THE FUTURE AND TO EXPEDITE THE MATTER -- BUT ANYHOW, THE TRANSCRIBED TESTIMONY OF THIS WITNESS AND ANY OTHER WITNESS IS NOT AVAILABLE; IT IS THE JURY'S RECOLLECTION WHICH SHOULD CONTROL DURING YOUR DELIBERATIONS.

AS I UNDERSTAND IT, MR. LEWIN, WHO, OF COURSE, CAN

TALK FOR HIMSELF, HAS INDICATED THAT HE WANTS THE JURY TO HAVE THE ENTIRETY OF THIS TRANSCRIPT OF WHATEVER NUMBER OF PAGES OF MR. RUNFT'S TESTIMONY EXISTS, AND EITHER TO BE READ TO THE JURY OR GIVEN TO THE JURY WITH THE PORTIONS RELATING TO BENCH CONFERENCES EXCISED. IS THAT ESSENTIALLY WHAT YOU HAVE SAID, MR. LEWIN?

MR. LEWIN: YES, YOUR HONOR, THAT'S ACCURATE. I BELIEVE THAT WHEN THE JURY DOES ASK, AS IT DID IN THIS CASE, GENERALLY FOR THE TESTIMONY -- AND I BELIEVE THE TESTIMONY, ALTHOUGH IT TOOK, AS YOUR HONOR SAYS, 150 PAGES, THERE ARE A SUBSTANTIAL NUMBER OF PAGES THAT I THINK ARE BENCH CONFERENCES, AND I THINK IT WOULD OBVIOUSLY TAKE A WHILE TO READ IT, BUT NONETHELESS, THE TESTIMONY COULD BE READ TO THE JURY. AND I HAVE BEEN IN TRIALS CERTAINLY WHERE THAT HAS BEEN DONE. I THINK MORE THAN THAT HAS BEEN DONE IN THE PRESENCE OF THE JURY.

OR IF COUNSEL WANTS TO TAKE THE TIME, I WOULD THINK WITHIN THE NEXT 15 MINUTES OR A HALF HOUR WE COULD PROBABLY CULL OUT THOSE PORTIONS OF IT THAT ARE BENCH CONFERENCES AND GIVE THEM THE TRANSCRIPT. BUT I THINK THE EASIEST THING, REALLY, AND I THINK THE USUAL COURSE IS REALLY TO HAVE THE TESTIMONY READ TO THEM. AND SINCE THEY HAVE MADE THAT REQUEST, I THINK IT IS APPROPRIATE THAT THAT TESTIMONY BE READ TO THE JURY. AND THAT IS WHAT I WOULD SUGGEST.

ALTERNATIVELY, AS I SAY, I WOULD SUGGEST THAT THE

TRANSCRIPT ITSELF, MINUS THE BENCH CONFERENCES, BE GIVEN TO THE JURY.

MR. WEINGARTEN: I THINK OUR PREFERENCE IS THE COURT'S FIRST PREFERENCE. I THINK IT IS PURELY WITHIN THE COURT'S DISCRETION. THE JURY CAN SAY "WE WANT THE TRANSCRIPT OF ALL THE WITNESSES." I MEAN IT'S WITHIN THE COURT'S DISCRETION TO DECIDE WHAT IS THE BEST AND FAIREST AND MOST EFFICACIOUS WAY TO PROCEED. IF IT COMES DOWN TO READING THE TESTIMONY IN OPEN COURT OR XEROXING THE TESTIMONY, I THINK PROBABLY THE EASIER WAY TO PROCEED WOULD BE THE LATTER. BUT I THINK THE COURT'S FIRST REACTION IS THE APPROPRIATE ONE.

THE COURT: ONE OF MY CONCERNS, OF COURSE, IS THE CONSIDERABLE PERHAPS DAYS' DELAY, LITERALLY, IF THEY WOULD ASK FOR THE TESTIMONY OF OTHER WITNESSES. NOW, THEY MAY NOT. THIS MAY BE THE SINGULAR WITNESS THAT THEY ARE INTERESTED IN, OR THEY HAVE JUST REACHED THAT PORTION IN THEIR DELIBERATIONS.

I WOULD LIKE ONE THING TO DO IN THE INTERIM. IF WE DO DECIDE TO LET THEM HAVE THIS TESTIMONY -- AND, YES, I WOULD CERTAINLY GO FOR THE XEROX RATHER THAN THE READING, BECAUSE THAT WOULD JUST TAKE HOURS, LITERALLY HOURS TO READ THIS, I WOULD SUGGEST, AND I DON'T KNOW WHO IS THE BEST READER OF ALL OF US, EVEN IF WE WOULD TAKE TURNS. THEN SOMEBODY WOULD COMPLAIN ABOUT INTONATION AND SUCH. I THINK IT WOULD BE BEST JUST TO SEE THAT IT IS DONE THERE -- I HAVE NOT READ

THIS TESTIMONY. I DON'T KNOW IF THERE IS ANYTHING IN HERE -- AND I AM CONFIDENT THAT GORDON, WHO IS HERE RIGHT NOW, WOULD HAVE IT ACCURATELY, BUT WE DID HAVE SEVERAL DIFFERENT REPORTERS, AS YOU KNOW, AND I WOULD HOPE THAT THERE IS NOTHING IN HERE THAT IS NOT DENOMINATED CLEARLY BENCH CONFERENCE OR SUCH THAT -- I WILL NOT SAY THAT THIS IS A PURE VERSION TO GO TO THE JURY. IT WILL BE COUNSEL'S RESPONSIBILITY TO LOOK IT OVER IF IT IS EXCISED, AND YOU ARE GOING TO HAVE TO EXCISE AND CUT AND PASTE.

THE PROBLEM IS, IT HAS ALREADY BEEN 25 MINUTES, AS YOU SEE. I DON'T WANT THAT JURY SITTING THERE DOING ABSOLUTELY NOTHING, WAITING FOR THIS, BECAUSE IT IS GOING TO BE AT LEAST A HALF AN HOUR OR AN HOUR TO GET THIS THING IN THE WAY COUNSEL WOULD LIKE IT. AND THAT IS ONE OF THE TESTIMONIES. IF IT WERE JUST MR. RUNFT'S TESTIMONY OR WITNESS "A'S" TESTIMONY, I WOULD HAVE NO REAL DIFFICULTY WITH IT, BECAUSE, UNLIKE MOST CASES, YOU HAVE HAD DAILY COPY. THAT IS VERY UNUSUAL. MOST CASES IT IS VERY SIMPLE; WE CAN'T GIVE IT TO THEM. WE CAN'T GIVE IT TO THEM, AND WE CAN'T REALLY READ IT BACK, BECAUSE IT WOULD BE TOO DIFFICULT WITH THE BENCH CONFERENCES, SO IT IS JUST NOT GIVEN. THE ONLY DIFFERENCE HERE IS WE HAVE HAD PAID DAILY COPY, AND THAT HAS ALLOWED THE POSSIBILITY OF HAVING IT DONE THIS WAY.

WHAT I WOULD LIKE TO TELL OUR JURY IN THE INTERIM, IF I CAN GET COUNSEL'S CONSENSUS ON THIS, IS THAT THEY SHOULD

GO AHEAD AND, IF THEY CAN, TO CONTINUE THEIR DELIBERATIONS WHILE WE ARE TAKING A MEASURE TO RESPOND TO THEIR QUESTION; SOMETHING LIKE THAT.

MR. LEWIN: ALL RIGHT. BUT COULD WE TELL THEM, I MEAN IF WE ARE GOING TO GO OUT NOW, AND WE WILL CERTAINLY -- I THINK WE HAVE A XEROX -- YOU HAVE A XEROX, DON'T YOU, FRANK, OF THE TRANSCRIPT? DO YOU HAVE IT HERE?

MR. CAMPBELL: NO, I DON'T HAVE IT HERE.

MR. BARGA: I HAVE A BUNCH OF COPIES OF THE TRANSCRIPT.

MR. LEWIN: O.K. WE WOULD GO BACK AND WE WOULD TRY TO PREPARE SOMETHING.

THE COURT: I WOULD ASK THAT BOTH COUNSEL GET TOGETHER ON IT AND DO IT SO WE DON'T HAVE TO DELAY BACK AND FORTH. EVERY SHEET CAN BE SCRUTINIZED AND PASSED ON.

MR. LEWIN: IF WE SIMPLY TELL THE JURY WE ARE PREPARING, YOU KNOW, A TRANSCRIPT OF MR. RUNFT'S TESTIMONY AND IF THEY FEEL THEY CAN GO AHEAD WITHOUT IT, THEY SHOULD DO SO. BUT I WOULD LIKE THE NOTE SPECIFICALLY TO SAY THAT. THEY WILL GET A COPY OF MR. RUNFT'S TRANSCRIPT, AND IF THEY FEEL THEY CAN GO AHEAD WHILE WE ARE WORKING, THEY SHOULD GO AHEAD AND DELIBERATE IN THE INTERIM.

THE COURT: ALL RIGHT.

MR. LEWIN: IF, ON THE OTHER HAND, YOU KNOW, THEY ARE SOMEHOW -- I DON'T WANT TO IN ANY WAY SUGGEST THEY ARE

NOT GOING TO GET IT IF WE ARE GOING TO GIVE IT TO THEM, NOR DO I WANT THEM TO THINK THAT THEY MUST GO AHEAD IF IN FACT THEY ARE AT A POINT WHERE REALLY IT ALL TURNS ON WHAT MR. RUNFT HAS SAID.

THE COURT: RIGHT. THE ONLY CAVEAT I WOULD LIKE TO MAKE TO THIS IS I WOULD LIKE COUNSEL TO SERIOUSLY CONSIDER FOR A MOMENT--YOU KNOW, I'LL GO AHEAD AND GIVE IT TO THEM, BUT I WOULD LIKE YOU TO CONSIDER FOR A MOMENT WHAT IF THEY ASK FOR THE TESTIMONY OF EACH AND EVERY WITNESS, OR LET'S SAY TEN WITNESSES, SPECIFIED? YOU CAN UNDERSTAND THE TIME ELEMENT AND THE DELAY. AND YOU MIGHT BE -- SINCE DEFENSE COUNSEL PARTICULARLY WANT THIS, YOU MIGHT WANT TO, AFTER WE HAVE DONE THIS ONE, WHICH IS THE IMMEDIATE MOMENT, SEE IF YOU CAN ALREADY LOOK AT THE OTHER MAJOR WITNESSES, AT LEAST MAJOR WITNESSES, AND SEE IF YOU CAN ALREADY HIGHLIGHT WHERE THE BENCH CONFERENCES ARE SO THAT YOU ARE READY TO ROLL WITH IT IF IT IS NECESSARY; BUT I WOULD LIKE TO AVOID HALF-HOUR DELAYS OR HOUR DELAYS OR HOWEVER LONG IT MIGHT TAKE.

I THINK YOU ARE THE ONE, MR. LEWIN, WHO SAID TO THE JURY, "COME BACK QUICKLY." AND I AGREE WITH YOU. BUT WE ARE NOT GOING TO MAKE IT POSSIBLE FOR THEM TO FINISH TONIGHT, THAT WILL BE SURE, IF WE ARE DOING IT THIS WAY. THAT IS ONE CONSIDERATION. YOU WILL HAVE A JURY THAT WILL DEFINITELY GO OVER UNTIL TOMORROW, I WOULD THINK, UNDER THE CIRCUMSTANCES.

MR. COLE: COULD I OFFER POSSIBLY A HALF-WAY MEASURE.

A NOTE TO THEM BASICALLY SAYING, "USUALLY WHAT HAPPENS", OR SOMETHING TO THE EFFECT OF "IT IS YOUR RECOLLECTION THAT CONTROLS. PLEASE TRY TO CONTINUE DELIBERATING IN THAT VEIN." AND THEN, ONLY IF THEY RESPOND THAT "WE ABSOLUTELY HAVE TO HAVE MR. RUNFT'S TESTIMONY," WE CAN BE PREPARING IT IN THE EVENTUALITY THAT THEY NEED IT. IF THEY SHOULD COME BACK, AT THAT POINT GIVE IT TO THEM.

THE COURT: I THINK SINCE THEY HAVE SPECIFICALLY ASKED FOR MR. RUNFT'S TESITMONY -- AND CERTAINLY I CAN LET MR. LEWIN SPEAK TO THAT, OBVIOUSLY, AND WHATEVER RESPONSE HE MIGHT GIVE. MY INITIAL REACTION IS THAT SINCE THEY HAVE SPECIFICALLY ASKED FOR MR. RUNFT'S TESTIMONY, WE DO HAVE IT AVAILABLE, AND ONE COUNSEL WANTS IT TO BE GIVEN TO THE JURY, THAT WE GIVE IT TO THE JURY, BUT THAT WE DO ADD TO THE NOTE, WHERE WE SAY WE ARE PREPARING IT, THAT "CUSTOMARILY IT IS THE JURY'S RECOLLECTION WHICH CONTROLS. IT WILL TAKE US A LITTLE TIME TO PREPARE THIS; WE WILL HAVE IT FOR YOU." THAT MIGHT NOT ENCOURAGE THEM TO DO THIS FOR EACH WITNESS, BECAUSE I'LL TELL YOU RIGHT NOW, ONCE YOU DO IT WITH ONE, AS YOU ALL KNOW, THE FLOOD GATE OPENS. AND THAT IS MY BIGGEST PROBLEM. IF WE HAD HAD ALL OUR BENCH CONFERENCES ALREADY EXCISED, IT'S EASY, WE JUST RUN THEM OFF THE PHOTOCOPY PRESS. YOU SAY YOU HAVE A PHOTOCOPY AVAILABLE?

MR. BRAGA: YES, I HAVE A CLEAN COPY OF THE TRANSCRIPT HERE.

THE COURT: YOU CAN CUT AND PASTE AND MOVE IT UP, AND SO FORTH.

MR. BRAGA: THAT'S RIGHT.

THE COURT: I THINK IT IS JUST GOING TO HAVE TO CLEARLY LOOK LIKE YOU CUT IT OUT. THEY KNOW WE HAVE HAD BENCH CONFERENCES, AND WE WILL JUST HAVE TO GO THROUGH -- NOT RENUMBER PAGES OR ANYTHING LIKE THAT. JUST MAKE CERTAIN IT IS OUT, AND THEN STAPLE IT TOGETHER SO THEY HAVE IT TOGETHER IN ONE COLLECTIVE BIT.

HOW LONG IS IT GOING TO TAKE YOU TO DO, MR. BRAGA?

MR. BRAGA: I HAVE NO IDEA.

MR. LEWIN: WE'LL SIT AROUND TOGETHER.

MR. BRAGA: WE WILL ALL GET TOGETHER.

THE COURT: I WOULD SUGGEST YOU DO.

MR. LEWIN: I WOULD THINK WE COULD DO IT, YOUR HONOR, IN 15 OR 20 MINUTES.

THE COURT: WHAT I WOULD LIKE TO DO IS WRITE BACK ON THIS, AND WE'LL MAKE A PHOTOCOPY OF IT SO WE PRESERVE IT FOR THE RECORD, AND THEN SEND THEM IN NOT THE ORIGINAL; WE WILL SEND THEM IN THE OTHER, SO WE CAN KEEP THE ORIGINAL FOR THE RECORD, AND JUST WRITE BACK THAT "A TRANSCRIPT IS BEING PREPARED FOR YOU." I THINK THAT ALREADY SHOWS A LITLE LAG TIME. "IT WILL TAKE US A LITTLE TIME. IF YOU CAN, PLEASE CONTINUE YOUR DELIBERATIONS IN THE MEANTIME." SOMETHING LIKE THAT. RIGHT?

MR. LEWIN: ALL RIGHT. I JUST WANT TO BE CLEAR ON IT. THE NOTE WILL SAY "A TRANSCRIPT IS BEING PREPARED FOR YOU"?

THE COURT: "A TRANSCRIPT IS BEING PREPARED FOR YOU" -- LET ME WRITE IT DOWN SO I'M SURE I SAY IT EXACTLY THIS WAY -- "WHICH WILL TAKE SOME TIME." I DON'T KNOW -- "WHICH WILL TAKE SOME TIME."

MR. LEWIN: ALL RIGHT.

THE COURT: "IF YOU CAN CONTINUE YOUR DELIBERATIONS IN THE MEANTIME, PLEASE DO SO."

MR. LEWIN: ALL RIGHT.

THE COURT: AGREEABLE?

MR. LEWIN: YES.

MR. BRAGA: FINE.

THE COURT: LET ME HAVE MY SECRETARY TYPE IT HERE SO THERE IS NO DOUBT ABOUT MY HANDWRITING. WE WILL HAVE A PHOTOCOPY OF IT MADE BACK TO THE JURY, AND WE HAVE ONLY LOST 40 MINUTES OR SO OF THAT TIME. AND THEN I WILL GO BACK TO MY JUDGES MEETING, AND AS SOON AS YOU HAVE IT PREPARED, I WILL HAVE JEFF COME AND KNOCK ON THE DOOR AND GET ME OUT OF THAT JUDGES MEETING AGAIN, O.K.?

I WOULD SUGGEST YOU GENTLEMEN GET STARTED AS SOON AS YOU CAN. WHY DON'T YOU TAKE ONE OF EACH SIDE AND GET STARTE ON THIS IN THE MEANTIME, SO WE DON'T LOSE ANY TIME. AND MY SECRETARY WILL HAVE IT FOR ME IN A MOMENT FOR MY SIGNATURE.

THEN SHE WILL RUN DOWN AND MAKE A PHOTOCOPY OF IT, AND THEN IT WILL GO TO THE JURY ROOM. IF YOU WANT TO WAIT FOR ALL THAT, YOU CAN.

MR. LEWIN: WHY DON'T YOU START.

MR. BRAGA: NO PROBLEM.

THE COURT: THE REST OF YOU I SUGGEST MIGHT WANT TO WAIT OUTSIDE, AND THEN WE WILL JUST COME OUT AND BRING IT TO YOU IF YOU WISH TO BE HERE FOR THE TRANSACTION.

(WHEREUPON, AT 4:38 P.M., THE CONFERENCE IN CHAMBERS WAS CONCLUDED, AND RECONVENED AGAIN IN CHAMBERS AT 4:51 P.M.)

THE COURT: THIS LAST NOTE CAME IN ABOUT TWO MINUTES AGO, AT 4:50 P.M., AT ABOUT THE SAME TIME THAT THE JURY RECEIVED THE NOTE THAT WE HAD AGREED THE JURY WOULD RECEIVE, THE LATTER READING: "A TRANSCRIPT IS BEING PREPARED FOR YOU, WHICH WILL TAKE SOME TIME. IF YOU CAN CONTINUE YOUR DELIBERATIONS IN THE MEANTIME, PLEASE DO SO." AND I SIGNED IT. AND WITHIN THE LAST TWO MINUTES, WE RECEIVED THIS NOTE.

MR. COLE: JUST TO MAKE THINGS CLEAR, DID THAT NOTE COME AFTER OUR NOTE?

THE COURT: YES, BUT I DO NOT KNOW, OF COURSE, WHETHER THEY READ OUR NOTE, BECAUSE IT WAS ALMOST ONE HAND WITH THE OTHER, AS I UNDERSTAND. I WASN'T THERE. I GET THESE THROUGH THE MARSHAL. BUT IT WAS JUST LIKE A TRANSFER. NOW, WHETHER THEY ACTUALLY READ IT AND THEN WROTE THIS AND TOOK TEN SECONDS

TO DO IT, I DON'T KNOW.

THE SECOND NOTE READS EXACTLY AS FOLLOWS: "COLD WATER WITH ICE CUBES, PLEASE." IT IS SIGNED DONNETTA GAITHER, FOREPERSON. THEN THERE IS A LINE DRAWN, AND IT SAYS, "FORGET THE TESTIMONY OF RUNFT", QUESTION MARK AFTER THAT WORD. AND THEN ANOTHER LINE THAT SAYS, "WHERE ARE THE CIGARETTES," QUESTION MARK.

THAT'S THE NOTE. NOW, BECAUSE OF THE -- "FORGET THE TESTIMONY OF RUNFT," THAT WOULD BE ONE THING. WE COULD ACCEPT THAT, EXCEPT FOR THE QUESTION MARK. NOW, BECAUSE OF THE QUESTION MARK, I FEEL THAT WE ARE DUTYBOUND TO WRITE BACK AND SAY, "DO YOU WANT US TO FORGET THE TESTIMONY OR FORGET SENDING IN THE TESTIMONY OF MR. RUNFT, OR DO YOU STILL WANT IT?"

MR. COLE: MAYBE YOU COULD SAY "DO YOU STILL WANT THE TESTIMONY OF MR. RUNFT", INSTEAD OF, "DO YOU WANT US TO FORGET IT." PERHAPS IT MIGHT BE BETTER JUST TO SAY, "DO YOU STILL NEED THE TESTIMONY OF MR. RUNFT", MIGHT BE THE BEST WAY TO PUT IT.

MR. BRAGA: THEY MIGHT THINK THE TIME DELAY WE WERE TALKING ABOUT WAS VERY SUBSTANTIAL.

THE COURT: I JUST SAID "SOME TIME". I DIDN'T SAY HOW LONG.

THERE IS A QUESTION MARK AFTER IT. THAT'S THE ONLY PROBLEM. MY THOUGHT, MR. WEINGARTEN -- YOU HAVE JUST COME IN--

IS THAT WE WILL HAVE TO ASK THEM, BECAUSE OF THE QUESTION MARK. I COULD READ EVERY BIT OF THE REST OF IT EXCEPT FOR THE QUESTION MARK. AND I THINK THE ONLY THING WE CAN SAY IS, "DO YOU STILL WANT THE TESTIMONY OF MR. RUNFT? PLEASE TEL US YES OR NO."

MR. WEINGARTEN: YES, SURE.

THE COURT: AS CLEAR AS THAT.

MR. LEWIN: I GUESS IT'S POSSIBLE EVEN TO READ THIS AS MEANING HAVE YOU FORGOTTEN, OR, YOU KNOW, DID YOU FORGET THE TESTIMONY OF RUNFT?

THE COURT: WELL, WHY DON'T WE ASK THEM, "DO YOU STILL WANT THE TESTIMONY OF MR. RUNFT?" WE HAVE ALREADY TOLD THEM WE ARE GOING TO GET IT TO THEM. "PLEASE TELL US YES OR NO." THAT'S ALL. WE WILL SEND IT RIGHT BACK IN, IF IT'S AGREEABLE WITH YOU.

MR. LEWIN: ALL RIGHT. SO THE QUESTION WOULD BE, "DO YOU STILL WANT THE TESTIMONY OF RUNFT."

THE COURT: MISTER.

MR. LEWIN: "DO YOU STILL WANT THE TESTIMONY OF MR. RUNFT."

THE COURT: AND WHY DON'T I SAY, "PLEASE ANSWER YES OR NO."

MR. LEWIN: YES.

THE COURT: "ANSWER YES OR NO."

WHY DON'T I HAVE MY SECRETARY DO THIS, AND WE WILL GO THROUGH THE PROCEDURE OF HAVING IT PHOTOCOPIED AND RIGHT

BACK TO THE JURY, AND LET'S SEE WHAT HAPPENS.

IN THE MEANTIME, I HOPE THEY GIVE THEM COLD WATER AND CIGARETTES.

THE PHOTOCOPY MACHINE IS BROKEN. I AM GOING TO ADD MY OWN EMOTION TO THIS. BECAUSE THE PHOTOCOPY MACHINE IS BROKEN, I AM TELLING THEM TO ANSWER YES OR NO ON THIS NOTE, AND THEN WE WILL FIND AN UNBROKEN PHOTOCOPY MACHINE AFTER WE HAVE GOTTEN THIS BACK FROM THEM, AND THEN WE WILL HAVE THE NOTE PRESERVED FOR THE RECORD, ALL RIGHT? BUT IT GETS A LITTLE CLUMSY, EVEN IN A COURTHOUSE -- MAYBE PARTICULARLY IN A COURTHOUSE.

WELL, WE KNOW SOME THINGS. THEY ARE DRINKING COLD WATER AND THEY ARE SMOKING -- SOME ARE AND SOME AREN'T. THAT'S ALL WE KNOW. NOTE SENT BACK 4:52.

NO. A BIG "NO." UNDERNEATH IT SAYS, "THANK YOU. QUESTION WAS SOLVED. DONNETTA GAITHER."

ALL RIGHT. THAT IS NOW 5:00 P.M., WHATEVER IT WAS. TERRIFIC.

I AM GOING BACK TO MY MEETING, GENTLEMEN, AND MAYBE WE WILL SEE EACH OTHER AGAIN SOMETIME TODAY; AND IF NOT, WE WILL SEE EACH OTHER AT 8:00 OR 8:30 TONIGHT.

(WHEREUPON, AT 5:00 P.M., THE CONFERENCE IN CHAMBERS WAS CONCLUDED, AND THE MATTER RECONVENED IN OPEN COURT AT 6:35 P.M.)

(IN OPEN COURT)

(JURY NOT PRESENT)

THE COURT: WE HAVE RECEIVED A NOTE FROM THE JURY WITHIN THE LAST SEVEN MINUTES THAT SAYS, "THE JURY HAS REACHED A VERDICT ON ALL FOUR COUNTS." ARE COUNSEL READY FOR THE VERDICT, AND MR. HANSEN?

I WILL SAY TO THOSE PERSONS WHO ARE ASSEMBLED IN THE COURTROOM, WHATEVER THE VERDICT MAY BE, WHEN IT IS ANNOUNCED TO THE CLERK, WHO WILL BE TAKING THE VERDICT, I WOULD ASK THAT THERE BE NO OUTBURST, NO COMMOTION, AND NO EXPRESSION, BECAUSE THERE WILL BE A POLLING OF THE JURY AFTER, I ASSUME, AT THE REQUEST OF EITHER COUNSEL. AND SO I WOULD ASK THAT UNTIL THAT IS ACCOMPLISHED, THAT THERE BE NO OUTBURST AND NO COMMOTION, UNTIL WE HAVE DISCHARGED THE JURY FROM ITS RESPONSIBILITY TO THIS CASE.

LET'S BRING THE JURY IN.

(THE JURY RETURNED TO THE COURTROOM AT 6:36 P.M.)

THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE HAVE RECEIVED A NOTE FROM YOUR FOREPERSON THAT INDICATES THAT THE JURY HAS REACHED A VERDICT ON ALL FOUR COUNTS.

MS. GAITHER, WOULD YOU KINDLY HAND THE VERDICT FORM TO THE MARSHAL WHO IS COMING NOW FOR IT, GIVE ME AN OPPORTUNITY TO LOOK AT IT, AND HE WILL BRING IT RIGHT BACK TO YOU.

COUNSEL MAY HAVE A SEAT.

THANK YOU.

THE DEPUTY CLERK: WILL THE FORELADY PLEASE RISE? HAS THE JURY REACHED A VERDICT?

JUROR NO. 6: YES, WE HAVE.

THE DEPUTY CLERK: WHAT IS YOUR VERDICT AS TO COUNT 1 OF THE INDICTMENT?

JUROR NO. 6: THE VERDICT OF COUNT 1 IS GUILTY AS CHARGED.

THE DEPUTY CLERK: THANK YOU.

WHAT IS YOUR VERDICT AS TO COUNT 2?

JUROR NO. 6: GUILTY AS CHARGED.

THE DEPUTY CLERK: THANK YOU.

WHAT IS YOUR VERDICT AS TO COUNT 3?

JUROR NO. 6: GUILTY AS CHARGED.

THE DEPUTY CLERK: WHAT IS YOUR VERDICT AS TO COUNT 4?

JUROR NO. 6: GUILTY AS CHARGED.

THE DEPUTY CLERK: THANK YOU.

THE COURT: DO COUNSEL REQUEST A POLLING OF THE JURY?

MR. LEWIN: YES, YOUR HONOR. WE REQUEST THAT THE JURY BE POLLED.

THE COURT: OF COURSE.

THE DEPUTY CLERK: MEMBERS OF THE JURY, AS YOUR SEAT NUMBER IS CALLED, PLEASE ANSWER "YES" IF YOUR VERDICT IS THE SAME AS THAT JUST ANNOUNCED BY YOUR FORELADY. JUROR NO. 1?

JUROR NO. 1: YES.

THE DEPUTY CLERK: JUROR NO. 2?

JUROR NO. 2: YES.

THE DEPUTY CLERK: JUROR NO. 3?

JUROR NO. 3: YES.

THE DEPUTY CLERK: JUROR NO. 4?

JUROR NO. 4: YES.

THE DEPUTY CLERK: JUROR NO. 5?

JUROR NO. 5: YES.

THE DEPUTY CLERK: JUROR NO. 6?

JUROR NO. 6: YES.

THE DEPUTY CLERK: JUROR NO. 7?

JUROR NO. 7: YES.

THE DEPUTY CLERK: JUROR NO. 8?

JUROR NO. 8: YES.

THE DEPUTY CLERK: JUROR NO. 9?

JUROR NO. 9: YES.

THE DEPUTY CLERK: JUROR NO. 10?

JUROR NO. 10: YES.

THE DEPUTY CLERK: JUROR NO. 11?

JUROR NO. 11: YES.

THE DEPUTY CLERK: AND JUROR NO. 12?

JUROR NO. 12: YES.

THE COURT: COUNSEL SATISFIED WITH THE PROCEDURE?

MR. LEWIN: YES, YOUR HONOR.

THE COURT: ALL RIGHT.

LADIES AND GENTLEMEN OF THE JURY, ONCE AGAIN WE THANK YOU FOR THE LONG TASK OF THE SITTING IN A SEQUESTERED JURY OVER THESE LAST SEVERAL DAYS AND THEN THE TIME OF DELIBERATION. AGAIN, ON BEHALF OF ALL OF THE PERSONS CONCERNED IN THIS CASE, WE APPRECIATE YOUR SERVICE TO THE COMMUNITY. YOU ARE DISCHARGED FROM YOUR RESPONSIBLE DUTY IN THIS CASE.

SHORTLY HEREAFTER, THE MARSHALS WILL BE TAKING YOU BACK TO THE HOTEL SO YOU CAN GATHER YOUR BELONGINGS AND TO SPEED YOU ON YOUR WAY. WE WISH EACH AND EVERY ONE OF YOU GOOD LUCK IN THE FUTURE. AND WE HAVE NOT FORGOTTEN OUR TWO ALTERNATE JURORS WHO ARE SEATED IN ANOTHER ROOM. AND WOULD THE MARSHALS CONVEY THAT EXPRESSION TO THEM, ALSO.

THE JURY CAN ACCOMPANY THE MARSHAL OUTSIDE OF THE COURTROOM. AND THANK YOU, LADIES AND GENTLEMEN. GOOD EVENING

THE JURY (EN MASSE): GOOD EVENING, YOUR HONOR.

(THE JURY WAS DISCHARGED AT 6:40 P.M.)

THE COURT: COUNSEL MAY HAVE A SEAT.

MR. HANSEN, YOU HAVE HEARD THE VERDICT OF THE JURY AS TO EACH OF THE FOUR COUNTS, THE VERDICT BEING, OF COURSE, GUILTY, FROM THEIR STATEMENT OF THAT VERDICT AND THE POLLING OF THE JURY.

THERE ARE TWO THINGS THAT REMAIN AT THIS TIME: FOR US TO SET THE DATE OF THE SENTENCE, AND ALSO FOR US TO DECIDE

WHAT HAPPENS BETWEEN TODAY AND THE DATE OF THE SENTENCE.

DO I TAKE IT THAT THE GOVERNMENT WOULD HAVE NO OBJECTION TO PERSONAL RECOGNIZANCE?

MR. WEINGARTEN: NO OBJECTION.

THE COURT: ALL RIGHT. SO IT IS JUST A MATTER OF THE DATE OF THE SENTENCE THAT WE ARE CONCERNED WITH.

MR. LEWIN?

MR. LEWIN: YOUR HONOR, WE WOULD LIKE TO HAVE AN EXTENSION OF TIME, IF WE MAY, TO MOVE FOR BOTH A JUDGMENT OF ACQUITTAL FOLLOWING THE ENTRY OF THE VERDICT, BECAUSE WE THINK THERE ARE GROUNDS FOR THAT, AND FOR A MOTION FOR A NEW TRIAL. WE WOULD APPRECIATE IT IF WE COULD HAVE THIRTY DAYS IN WHICH TO FILE THOSE MOTIONS.

THE COURT: DOES THE GOVERNMENT TAKE ANY POSITION ON THAT?

MR. WEINGARTEN: NO.

THE COURT: THIRTY DAYS MIGHT BE A LITTLE LONG, MR. LEWIN. I CERTAINLY WANT TO GIVE YOU TIME TO REACH THAT PARTICULAR POINT. WHY DON'T WE DO IT IN THREE WEEKS.

MR. LEWIN: YOUR HONOR, I HAVE OTHER COMMITMENTS WHICH HAVE BEEN PUSHED ASIDE BECAUSE OF THE TRIAL IN OTHER JURISDICTIONS. AND, HONESTLY, YOUR HONOR, IT WILL IMPOSE A VERY SUBSTANTIAL HARDSHIP ON ME, IN ADDITION TO WHICH THE PASSOVER HOLIDAYS ARE COMING UP, WHICH INCLUDES DAYS WHEN I CAN'T WORK. AND CONSEQUENTLY, I WOULD APPRECIATE IT IF I

COULD HAVE THIRTY DAYS.

THE COURT: WHEN DO THOSE HOLIDAYS TERMINATE, SIR? WOULD THAT BE AROUND THE 24TH OF APRIL?

MR. LEWIN: YES, THEY TERMINATE ON THE 24TH OF APRIL.

THE COURT: SO YOU NEED AT LEAST A FEW DAYS BEYOND THAT.

MR. LEWIN: YES.

THE COURT: ALL RIGHT. WHY DON'T WE SAY APRIL 30TH. LET'S CLOSE OUT THE MONTH WITH THOSE MOTIONS.

AND THE GOVERNMENT, AS FAR AS RESPONSE TIME? HOW QUICKLY CAN YOU RESPOND? TWO WEEKS? YOU ARE ENTITLED TO AN EQUAL AMOUNT OF TIME, BUT I PREFER TO TAKE CARE OF IT AS PROMPTLY AS WE ALL CAN. TWO WEEKS; WHY DON'T WE SAY BY THE CONCLUSION OF THE 14TH OF MAY, ALL RIGHT?

THEREFORE, WE HAD BEST NOT SET A DATE FOR SENTENCING AT THIS POINT, UNTIL WE HAVE HAD A CHANCE TO SEE THOSE MOTIONS AND RULE UPON THEM, WHICH, HOPEFULLY, WILL BE SHORTLY THEREAFTER THAT PERIOD OF TIME. ALL RIGHT.

WE ARE TO BE KEPT APPRISED, OF COURSE, IF THERE IS ANY CHANGE OF RESIDENCE ADDRESS, AND I DON'T HAVE TO SAY AT THIS MOMENT ANY CHANGE OF EMPLOYMENT. ALL RIGHT.

COUNSEL -- WELL, I THINK THAT IS ALL I HAVE TO SAY AT THIS TIME. ALL RIGHT. MOTION FOR A JUDGMENT OF ACQUITTAL, MOTION FOR A NEW TRIAL THAT MR. LEWIN HAS ASKED TO FILE WILL BE FILED NO LATER THAN APRIL 30TH, AND THE GOVERNMENT WILL

RESPOND NO LATER THAN THE CONCLUSION OF MAY 14TH.

GOOD DAY. THE COURT IS IN RECESS.

(WHEREUPON, AT 6:43 P.M., THE ABOVE-ENTITLED PROCEEDING WAS CONCLUDED.)

CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER, AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY KNOWLEDGE AND ABILITY.

GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

TRIAL EXHIBITS

(1893)

Dear Mr. Hunt,

During January of 1979 you gave an $87000 bribe to Rep. George Hansen of Idaho. To be more specific, the payoff was handled as follows:

On the morning of January 16, 1979, you bought 125 contracts of silver through your commodity broker at King Commodity Services in Oklahoma. When it became obvious that this trade was profitable you told your broker that this trade was not really for you but was for representative Hansen and to open an account in his name and put the trade- wth the built in profit- into his account. To help hide the payoff you opened the account in the name of Connie Hansen, Rep. George Hansens wife. Two days later on Jan. 18 the silver positions were sold for a profit of $87475. However, Hansen could not have the money sent to him because he had a margin call of $125000taht was required to carry the position. Therefore, you wired or caused to be wired $125000 to the broker in Hansens name, This removed his obligation and allowed the profit to be wired to him the next day, completing the payoff. The purpose of the bribe was to secure Rep. Hansens support in your bid for a large silver mine in Idaho.

We have Xerox copies of all statements and transactions mentioned above. We are, of course, guessing as to why tou made the payoff and have only secondhand proof that the margin call was met with your money. However, under close examination and the sworn testimony of all parties involved, we belief the proof would be overwhelming. An investigation of Hansens 1979 tax return would also be enlightening. If he did no declare the income, it is fraudentXX. If he did, he cannot justify the source.

It is a felony crime to take or make a bribe to a U.S. Congressman.

Perhaps you are expecting that I will demand a blackmail payment. You are wrong. I have the utmost respect for you, Sir. I was furious when the commodity exchanges and the congressmen and the Commodity Futures Trading Commission ganged up on you and accussed you of manipulating the market. Why is just buying it manipulating. They are the ones that manipulated it by changigg the rules. They should be investigated, not you.

What we would like is a $440,000 loan for 120 days. This money is to be used to help finance an operation that you would certainly give your full support to if we could provide you with details. Unfortunately, we can not. There are too many lives at stake. I can tell you that the operation does not take place in this country and will break no US laws. It is time that someone started fighting back at the enemies of this country and we are doing it.

DEFENDANT'S
EXHIBIT
2

To make the point clear, we are asking for a loan of $440,000. If we do not get it, we will give everything we have to the FBI. I am sincerly sorry to have to threaten you like that but many people are depending on us. I repeat, this is a loan. You will be paid back in 120 days. Your money is being used to p urchase one item necessary for the operation. The item will not actually go with us on the operation so even if we fail those XdsxX who remain behind have orders to sell the item and return your money.

You are to wire the money to our account in the Cayman Islands. The account is at the Cayman National Bank and Trust Company, LTD. Grand Cayman, Cayman Islands. The accoun t number is 60615. It is in the name of Gordon Warner. The money must be there as soon as possible but no later than Thursday, April 9. If the money is not in place by April 9, we shall contact the FBI on April 10. That is the last thing in this world we wish to do.

Thank you.

P S You have our word of honor that everything we have relating to the payoff will be destroyed as soon as we receive the money.

Mr. Nelson Bunker Hunt
2500 First National Bank Building
Dallas, TX 75202

URGENT- MUST BE OPENED IMMEDIATELY

$ 50,000 DALLAS, TEX May 26 1978 ACCOUNT NOTE NO.

364 days after e, for value received, I, we or either us promise to pay to the order of

FIRST NATIONAL BANK IN DALLAS *("Bank") at its office in Dallas, Texas, the principal amount of*

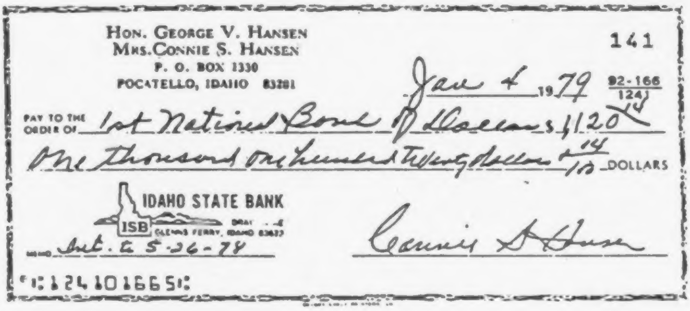
Fifty thousand and no/100-- DOLLARS,

with interest thereon at a fluctuating rate from date *until maturity, which rate shall equal* 1 *% per annum (on the basis of actual days elapsed over a 360-day year) above the base commercial rate of interest ("Base Rate") established from time to time by Bank for short-term unsecured loans to substantial and responsible commercial borrowers, each change in the rate charged hereunder to become effective without notice to the undersigned on the effective date of each change in the Base Rate, but in no event shall the rate charged hereunder exceed the maximum rate of interest permitted by applicable law.*

All past-due sums, both principal and interest, shall bear interest at a non-fluctuating rate equal at all times to the highest permitted lawful rate per annum from maturity until paid. If this note is placed in the hands of an attorney for collection or be collected through the probate or bankruptcy courts, or by other judicial proceedings, the undersigned further promise to pay ten percent additional on the full amount due for attorneys' fees, plus all other costs and expenses of collection and enforcement. All parties to this note, including endorsers and guarantors, severally waive presentment for payment, notice of nonpayment, protest, demand, notice of protest, and dishonor, diligence in enforcement, and indulgences of every kind, and without further notice hereby agree to renewals, extensions, exchanges or releases of collateral, taking of additional collateral, indulgences or partial payments, either before or after maturity.

Connie S. Hansen
Connie S. Hansen
4700 38th Place North
Arlington, Virginia 22207

MATURITY DATE May 25, 1979



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

141

Jan 4 1979 92-166/1241

PAY TO THE ORDER OF 1st National Bank of Dallas $ 1120 14/100

One thousand one hundred twenty dollars & 14/100 DOLLARS

IDAHO STATE BANK
ISB
GLENNS FERRY, IDAHO 83623

MEMO Int. on 5-26-78

Connie S Hansen

⑆124101665⑆

Sent to Sam Hearn
& Bank
1/9/79
g

DEFENDANT'S
EXHIBIT
9 EVID.

HEMSLEY & CAMPBELL
ATTORNEYS AT LAW
SUITE 501
1111 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036

202-659-0550

February 9, 1984

J.D. Bowie, Esquire
Bowie and Robinson
502 Cumberland Street
P.O. Box 1178
Bristol, Virginia 24203-1178

Re: Meade v. Hansen, Law Action No. 24328 (Arl. Co. Cir. Ct.)

Dear Mr. Bowie:

Pursuant to the agreement reached in our telephone conversation of January 31, 1984 I am transmitting herewith, in full settlement of the captioned matter, personal check number 40354 from the account of George V. Hansen and Connie S. Hansen at the First Interstate Bank of Pocatello Idaho, payable to John D. Meade, Jr. in the amount of $66,726.12.

As agreed, I will refain from filing the Motion for Dismissal and accompanying Order you have prepared and forwarded to me until you have informed me that the check has cleared.

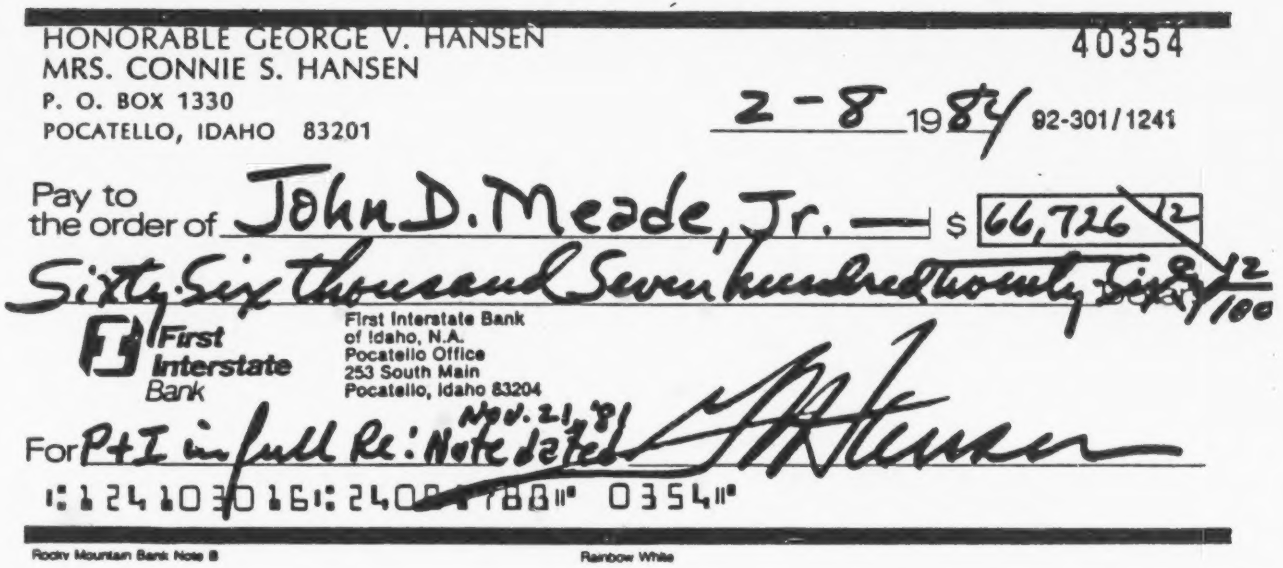
With best regards, I am,

Sincerely,

Frank A. S. Campbell

Frank A. S. Campbell

cc: The Honorable George V. Hansen



HONORABLE GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

40354

2-8 1984 92-301/1241

Pay to the order of John D. Meade, Jr. — $ 66,726 12

Sixty-Six thousand Seven hundred twenty Six 12/100

First Interstate Bank

First Interstate Bank
of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

For P+I in full Re: Note dated Nov. 21, '81

G V Hansen

⑆124103016⑆ 240[illegible]788⑈ 0354⑈

Rocky Mountain Bank Note B

Rainbow White

LAW OFFICES
J. D. BOWIE
BRISTOL, VIRGINIA 24203-1178
502 CUMBERLAND STREET
P. O. BOX 1178

J. D. BOWIE
S. GRAY ROBINSON
SONDRA K. ALAN

AREA CODE 703
466-5015

April 5, 1983

PERSONAL AND CONFIDENTIAL

The Hon. George Hansen
Member of Congress
1125 Longworth Building
Washington, D. C. 20515

Dear Congressman Hansen:

I have been consulted by John D. Meade, Jr. pertaining to the collection of a promissory note dated November 21, 1981 evidencing a loan to you in the amount of $50,000.00 bearing interest at the rate of prime plus 1% from the date of the note. Mr. Meade does not wish to cause you any embarrassment or any unnecessary problems, but he needs his money, and is morally and legally entitled to receive it.

I would appreciate your remitting the amount owed to Mr. Meade without further delay. The interest accrued from November 21, 1981 through April 5, 1983 amounts to $10,611.77. It will continue to accrue at the rate of $16.67 per day thereafter. We trust and hope that further legal action will not be necessary.

Very truly yours,

J. D. BOWIE

JDB:dla

cc: Mr. John D. Meade, Jr.

Miners And Merchants
BANK AND TRUST COMPANY
POST OFFICE BOX 1010
GRUNDY, VIRGINIA 24614

(703) 935-8161

May 17, 1982

George V. Hansen
3307 North Peidmont Street
Arlington, VA 22207

Sir:

On May 6, 1982, Miners and Merchants Bank was served with a subpoena to testify or present certain documents before the Grand Jury on June 8, 1982. Your name was listed as one of the individuals or entities to be covered. The bank is required to present "any and all loan records...and a listing of any accounts...for the period January 1, 1980 to May 1, 1982..." that you may have had with Miners and Merchants Bank.

If you have any questions regarding this subpoena, you should contact your attorney and/or the United States District Court for the Western District of Virginia, before June 8, 1982. Unless we hear from you prior to this date, your records will be delivered to the Grand Jury.

Sincerely,

Jackson E Reasor Jr.

Jackson E. Reasor, Jr.
Manager

JERJR/cp

Certified Return Receipt Requested

DEFENDANT'S EXHIBIT
23 EVID.

Miners and Merchants
BANK AND TRUST COMPANY
POST OFFICE BOX 1010
GRUNDY, VIRGINIA 24614

CLAIM CHECK NO.
909880

☐ HOLD

DATE
MAY [illegible] 1982
1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
July 1977

BLUEFIELD
18 MAY
1982

GRUNDY
MAY 18 '82
VA.

U.S. POSTAGE
1.55
2600479

George V. Hansen
3307 North Peidmont Street
Arlington, Virginia 22207

CERTIFIED
P35 6249016
MAIL

GEORGE HANSEN
Second District, Idaho
1125 Longworth Building
Washington, D.C. 20515
Tel. [illegible]

Committees and Subcommittees
BANKING, CURRENCY AND HOUSING
Oversight and Renegotiation (Ranking Member)
Domestic Monetary Policy
VETERANS' AFFAIRS
Hospitals
Cemeteries and Burial Benefits

DEFENDANT'S EXHIBIT 30 EVID.

Congress of the United States
House of Representatives
Washington, D.C.

Idaho District Offices:
UPPER SNAKE RIVER VALLEY
211 Federal Building
Box 740, Idaho Falls 83401
Tel. [illegible]
SOUTHEASTERN IDAHO
333 Federal Building
Box 171, Pocatello 83201
Tel. [illegible]
MAGIC VALLEY
1062 [illegible]
Twin Falls 83301
Tel. [illegible]
WESTERN IDAHO
442 Old Federal Building
Boise 83702
Tel. [illegible]

February 18, 1977

770585

AOR 1977-7

OPINION REQUEST 878

Federal Election Commission
Office of General Counsel
Advisory Opinion Section
1325 K Street, N.W.
Washington, D.C. 20463

re: Request for Advisory Opinion

Gentlemen:

By this letter I am requesting an advisory opinion as to whether a federal office holder may, under certain circumstances, raise personal funds by personal and/or mail solicitation. It is submitted that federal office holders should be afforded the means to supplement their income provided by their federal salary, if it can be done in a manner that will not influence or affect their nomination or election to federal office.

Like persons in other professions, federal office holders have the same needs for financial security. They, too, are subject to extraordinary personal financial burdens that can be imposed by such things as heavy medical expenses resulting from serious illness or accident, as financial losses occasioned by business reverses, and as college expenses of children, to name a few examples. They should be afforded a way to mount an effort to overcome such problems and attain financial security.

However, if federal office holders are held to a standard of "personal gifts customarily received prior to candidacy" and are to be severely limited in their receipt of honorariums and other extra-federal income, they have little prospect of ever overcoming extraordinary personal expenses or losses while pursuing their careers as federal office holders - unless they were wealthy prior to candidacy. There should be some provision by which federal office holders of modest means can overcome the burden of extraordinary personal expenses and losses while continuing to serve the constituency which elected them.

All things considered, solicitation for personal donations would appear to be the avenue most compatible to circumstances of federal office. Clearly, allowance of extra - federal employment would not only take away time from public duties, but would lend itself to long-term, continuing conflicts of interest and influence. Solicitation and receipt of unconditional gifts would tend to avoid these problems. Of course, there could be no denial that such personal gifts would be politically motivated to a substantial degree. However, it is submitted that a plan of solicitation can be devised which would substantially avoid affecting or influencing the nomination or election process.

With reference to The Federal Election Campaign Act of 1971, as amended in 1974 and 1976, and with reference to the proposed Rules and Regulations published by the Federal Election Commission in the Federal Register, Vol. 41, No. 166 on August 25, 1976, I respectfully request an advisory opinion as to whether the following plan for solicitation of personal funds may be allowed:

(1) The personal funds would be solicited either in person or by mail.

(2) In order to overcome the presumption that the donations were contributions, all solicitations for personal gifts would be accompanied or immediately followed up by a letter stating the purpose of the solicitation and requesting the donor to sign a card to be returned with the gift affirming such purpose of the gift. The statement of purpose in the solicitation letter will be as follows:

> "The purpose of this solicitation is to obtain personal funds for (name of office holder) for his (her) personal use. Funds obtained by this solicitation will not be used for the purpose of influencing any nomination or election and will not be used in any campaign by or in behalf of (name of office holder) and will not be used by him (her) in any way to promote or to maintain the official activities of (name of office holder)."

The statement of affirmation of purpose and amount of the gift on the card to be signed by the donor and returned with the gift will be as follows:

> "I, the undersigned, hereby affirm that the purpose of this gift in the amount of $________ is donated to (name of office holder) for his personal use only, and that this gift is not given to influence any nomination or election or as a campaign contribution or for the purpose of promoting or maintaining the official activities of (name of office holder)."

(3) No gifts will be solicited, or knowingly accepted, which are prohibited by sections 114.2 and 115.2 of the proposed F.E.C. Rules and Regulations.

(4) No such solicitation will be conducted during any one year period prior to a general election.

(5) The solicitation effort will not be conducted or staffed by persons on the office holder's staff who are on the federal payroll or by persons employed and paid by the office holder or his campaign committee in the immediate past campaign.

(6) The solicitation will not be conducted within the Congressional District of the office holder nor would constituents be knowingly solicited.

(7) The solicitation effort will be self-supporting and will repay personal "start-up" funds advanced by the office holder for its operation.

(8) All disbursements from gifts received will be paid out solely for costs of the solicitation effort or to the personal account of the office holder.

(9) As a condition to allowance of such solicitation for personal funds, the office holder will not make expenditures from personal funds at any time in the future following commencement of the solicitation. An affidavit foreswearing future use of personal funds for expenditures will be executed by the office holder in a form approved and/or provided by the Federal Election Commission.

(10) As a condition to allowance of such solicitation for personal funds, the proposed solicitation letter and return affirmation card shall be submitted to the Federal Election Commission for approval.

(11) An accounting of the solicitation effort shall be reported to the Federal Election Commission on a monthly basis or at such other times as requested by the Commission. The accounting shall contain at least the following:

(a) The amount of each gift, the date of its receipt, and the name and address of each donor related to each gift.

(b) The amount of each disbursement, the date of its payment, the name and address of the payee, and the purpose of the payment if not made to the personal account of the office holder.

The foregoing, private fund solicitation plan is submitted not only for advisory opinion as to its feasibility, but for advice as to what additional measures or changes might make it feasible. There is no pride of authorship as to language or terms intended. It is only hoped that this request might point the way to a reasobable plan of relief from the economic freeze imposed upon federal office holders.

In closing, I do have a special request. As the time factor of the next election is less than ten months away, I would appreciate your consideration of this request as soon as possible. Not only is the preparation and implementation of a direct mail solicitation a time consuming process, but the follow-up mailings could easily fall into next year (and would have to be foregone) unless we are able to begin the proposed solicitation almost immediately.

Thank you for your consideration.

Very truly yours,

George Hansen

GEORGE HANSEN
Member of Congress

[illegible]
SECOND DISTRICT, IDAHO
1125 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
TEL: (202) 225-5531

COMMITTEES-SUBCOMMITTEES
BANKING, CURRENCY AND HOUSING
OVERSIGHT AND RENEGOTIATION
(RANKING MEMBER)
DOMESTIC MONETARY POLICY
VETERANS' AFFAIRS
HOSPITALS
CEMETERIES AND BURIAL BENEFITS

Congreſs of the United States
House of Representatives
Washington, D. C.

[illegible]
UPPER SNAKE RIVER VALLEY
211 FEDERAL BUILDING
BOX 740, IDAHO FALLS 83401
TEL.: 523-5341

SOUTHEASTERN IDAHO
309 FEDERAL BUILDING
BOX 671, POCATELLO 83201
TEL. 232-0900

MAGIC VALLEY
1061 BLUE LAKES BLVD. N.
TWIN FALLS 83301
TEL.: 734-6486

WESTERN IDAHO
442 OLD FEDERAL BUILDING
BOISE 83701
TEL.: 345-2066

March 14, 1977

DEFENDANT'S
EXHIBIT
31 EVID.

The Honorable Richardson Preyer, M.C.
Chairman, the Select Committee on Ethics
2344 R.H.O.B.

Dear Mr. Chairman:

Pursuant to our recent conversation, I wish to formally advise you that through the past two elections for Congress I have experienced an unusual degree of personal attack by political opposition which has created for me and my family a considerable amount of legal, professional and other non-campaign expenses.

Being one of modest means and not having any significant outside source of income in addition to my Congressional salary which is used to support a large family and maintain my personal situation both in Washington and Idaho, it is most difficult to find the means to recoup from such extra personal expenses which have been incurred.

I therefore have openly attempted to find a method which would not interfere with my service to my constituents on a full time basis and not be in conflict of interest for the position I hold.

I have always been most concerned that my activities be legal and ethical. Therefore I have outlined an inquiry to the Federal Election Commission to determine a course of action which might be acceptable and forthright. I believe the letter speaks for itself and enclose a copy for your information. I would appreciate being advised if my proposal violates any laws, rules or regulations in the area of your jurisdiction.

My attorney has been actively involved in this matter in preparation of the letter and in preliminary discussions with appropriate officials of the F.E.C. I have every reason to believe my request has been properly qualified and will receive early and favorable consideration.

I am convinced that my request adheres to the letter and spirit of the new ethics code recently passed by the House but as a precaution and in a further effort to conform to non-controversial guidelines, I wish to advise you that no contribution of $100 or more will be solicited or accepted.

Again, I wish to point out my purpose is basically to gain reimbursement for some of the large expenses pushed on me personally by political harassment and dirty tricks which I have not previously included as regular campaign expenses.

Thank you for your interest and assistance in this matter. I would appreciate receiving an early reply and welcome your comments and suggestions.

Sincerely yours,

GEORGE HANSEN
Member of Congress

GVHs

P.S. For your information, the terminology (such as the word "expenditure") in the letter to the F.E.C. is utilized according to definitions set forth in the F.E.C. Act of 1971 as amended and proposed rules and regulations as published.

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

DEFENDANT'S
EXHIBIT
32 EVID.

March 30, 1977

AO 1977-7

Honorable George Hansen
House of Representatives
Washington, D. C. 20515

Dear Mr. Hansen:

Your letter of February 18, 1977, sets forth a plan for solicitation of personal funds by a holder of Federal office to provide "financial security" for the officeholder and requests an advisory opinion as to application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and the Commission's proposed regulations, to the plan as described.

Your letter describes the conditions under which the personal funds would be solicited, accepted, and utilized:

(1) The personal funds would be solicited either in person or by mail.

(2) In order to overcome the presumption that the donations were contributions, all solicitations for personal gifts would be accompanied or immediately followed up by a letter stating the purpose of the solicitation and requesting the donor to sign a card to be returned with the gift affirming such purpose of the gift. The statement of purpose in the solicitation letter will be as follows:

> "The purpose of this solicitation is to obtain personal funds for (name of office holder) for his (her) personal use. Funds obtained by this solicitation will not be used for the purpose of influencing any nomination or election and will not be used in any campaign by or in behalf of (name of office holder) and will not be

> used by him (her) in any way to promote or to maintain the official activities of (name of office holder)."

The statement of affirmation of purpose and amount of the gift on the card to be signed by the donor and returned with the gift will be as follows:

> "I, the undersigned, hereby affirm that the purpose of this gift in the amount of $_______ is donated to (name of office holder) for his personal use only, and that this gift is not given to influence any nomination or election or as a campaign contribution or for the purpose of promoting or maintaining the official activities of (name of office holder)."

(3) No gifts will be solicited, or knowingly accepted, which are prohibited by sections 114.2 and 115.2 of the proposed F.E.C. Rules and Regulations.

(4) No such solicitation will be conducted during any one year period prior to a general election.

(5) The solicitation effort will not be conducted or staffed by persons on the office holder's staff who are on the federal payroll or by persons employed and paid by the office holder or his campaign committee in the immediate past campaign.

(6) The solicitation will not be conducted within the Congressional District of the office holder nor would constituents be knowingly solicited.

(7) The solicitation effort will be self-supporting and will repay personal "start-up" funds advanced by the office holder for its operation.

(8) All disbursements from gifts received will be paid out solely for costs of

the solicitation effort or to the personal account of the office holder.

(9) As a condition to allowance of such solicitation for personal funds, the office holder will not make expenditures from personal funds at any time in the future following commencement of the solicitation. An affidavit foreswearing future use of personal funds for expenditures will be executed by the office holder in a form approved and/or provided by the Federal Election Commission.

(10) As a condition to allowance of such solicitation for personal funds, the proposed solicitation letter and return affirmation card shall be submitted to the Federal Election Commission for approval.

(11) An accounting of the solicitation effort shall be reported to the Federal Election Commission on a monthly basis or at such other times as requested by the Commission. The accounting shall contain at least the following:

(a) The amount of each gift, the date of its receipt, and the name and address of each donor related to each gift.

(b) The amount of each disbursement, the date of its payment, the name and address of the payee, and the purpose of the payment if not made to the personal account of the office holder.

Based on your representations as to how the personal fundraising would be conducted and the conditions under which gifts would be solicited and accepted, the Act and proposed regulations would not apply. Accordingly, there is no obligation to submit to the Commission any letters, cards, affidavits, or reports related to the described plan for personal fund solicitation.

Although the conclusion stated above is premised on conducting the fundraising in accordance with all the conditions set forth in your letter (other than those stating that materials would be submitted to the Commission), the Commission emphasizes, in particular, the importance of complying with paragraphs (8) and (9) which indicate that personal funds received as a result of the described plan, as well as other personal funds of the officeholder, will not be expended (after the plan is put into operation) at any time for the purpose of influencing the nomination or election of the officeholder to Federal office. 2 U.S.C. §431(f). The Commission further understands that the condition set out in paragraph (9) above, foreswearing future use of personal funds for campaign expenditures, would also preclude the officeholder-candidate from assuming any joint, contingent, or other liability on loans obtained for past or future campaign purposes by or on behalf of an authorized campaign committee of the officeholder.

The Commission's conclusion that the described plan is not within the Act should not be construed as Commission endorsement or approval of the plan; nor does the Commission purport to express any views on the applicability of other laws outside its jurisdiction, including the provisions of Title 18 of the United States Code, to the described personal fundraising plan. The Commission also notes the possible application of the Rules of the House of Representatives to this situation, but may express no opinion with respect to application of those rules. Finally, the Commission expresses no opinion as to any Federal tax ramifications connected with the described activity since those issues are within the jurisdiction of the Internal Revenue Service.

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act to a specific factual situation set forth in your request. 2 U.S.C. §437f.

Sincerely yours,

Vernon W. Thomson

Vernon W. Thomson
Chairman for the
Federal Election Commission

April 1, 1977

The Honorable Bill Frenzel
1026 L.H.O.B.

Dear Bill:

Thank you so much for your kindness this morning. I wanted Connie to know you better and thought her presence might also be helpful to you.

I am convinced your approach is absolutely correct and standby for any further suggestions from you for steps I might take.

One afterthought -- if my primary proposal won't wash, please have them consider telling me what conditions are acceptable so affirmative action can be taken prior to recess if at all possible.

Again, thank you and good luck.

Best regards,

GEORGE HANSEN
Member of Congress

GVHs

GEORGE HANSEN
Second District, Idaho
1125 Longworth Building
Washington, D.C. 20515
Tel.: (202) 225-5531

COMMITTEES-SUBCOMMITTEES
BANKING, CURRENCY
AND HOUSING
Oversight and Renegotiation
(Ranking Member)
Domestic Monetary Policy
VETERANS' AFFAIRS
Hospitals
Cemeteries and Burial Benefits

Congreſs of the United States
House of Representatives
Washington, D.C.

Idaho District Offices
UPPER SNAKE RIVER VALLEY
211 Federal Building
Box 740, Idaho Falls 83401
Tel.: 523-5341
SOUTHEASTERN IDAHO
302 Federal Building
Box 671, Pocatello 83201
Tel.: 232-0930
MAGIC VALLEY
1061 Blue Lakes Blvd. N.
Twin Falls 83301
Tel.: 734-6486
WESTERN IDAHO
442 Old Federal Building
Boise 83701
Tel.: 345-2866

April 5, 1977

DEFENDANT'S
EXHIBIT
34 EVID.

The Honorable Richardson Preyer, M.C.
Chairman, the Select Committee on Ethics
2344 R.H.O.B.

Dear Mr. Chairman:

This is to supplement previous correspondence regarding my proposal to solicit funds to recoup from serious personal losses caused by the unusual degree of personal attack I have experienced from political opposition during the past three years.

As you are aware, my plan was found by the Federal Election Commission to have no conflict with Federal Election laws or proposed regulations under their jurisdiction. Further research has established that there is no reason to believe that there will be any conflict with laws and regulations as administered by other agencies of the Federal government.

To further clarify my situation at this point for your purposes I wish to deal with the basic structure of the proposed solicitation in my behalf. In this I am flexible in hopes of maintaining a completely legal and ethical posture for myself personally and as a member of this great legislative body.

I suggest that the known and accepted structure for soliciting the political funding for elections can also be properly used for raising personal funds as described in my proposal. By this I mean the personal or mail solicitation would be conducted either personally or in the alternative by a committee composed of several persons not a part of my congressional office staff or campaign organization.

In conjunction with the eleven point plan cleared with the FEC, such a committee would operate entirely independent of me in every respect. For example, it would necessarily have to obtain its own seed money and organizational direction and control. The only relationship I would have with the committee would be that I would not accept funds from the committee unless it could clearly demonstrate that all points of the FEC proposal and the under $100 limitation were adhered to. No funds would be accepted personally from members of the committee or close relatives of those members.

I have made every attempt to outline a workable proposal to allow members of Congress the same rights and privileges as the average citizen enjoys -- the right to protect himself (or herself) and his (or her) family from serious financial hardship which can arise from circumstances not of his (or her) own making.

No one else has to resign from their position of employment to gain legitimate relief, why should a member of Congress? I don't believe any citizen of this nation believes that to be a necessary requirement for the office.

Any person has a right to basic financial survival. The question is how can it be properly done in a sensitive position. I believe the direct way is preferable because it is the simplest and most accountable. News accounts have been frequent regarding the complications to the circumstances of public office holders when a spouse or other close family member pursues their own course.

And yet, that family has a right to financial survival and should not be penalized if one of them is publicly involved. My wife asks me what would become of her and the children if I were to die suddenly with the large debts we have incurred from the ugly aspects of politics. What can I tell her, what would you tell your spouse?

Mr. Chairman, I appreciate the interest and time devoted to this problem by you and the members of the Committee. I strongly urge your positive action, not only for my own relief, but for any who are so unfortunate as to find themselves at some future time in similar circumstances.

Sincerely,

George Hansen

GEORGE HANSEN
Member of Congress

GVHs

SELECT COMMITTEE ON ETHICS
U.S. HOUSE OF REPRESENTATIVES

DEFENDANT'S
EXHIBIT
35 EVID.

******

Advisory Opinion #11

Issued by the Committee
on May 11, 1977

SUBJECT: Acceptance of proceeds from a fund-raising event sponsored by an independent group or committee for the unrestricted personal use of a Member.

REASON FOR ISSUANCE:

The Select Committee has been asked whether a Member could accept proceeds from a fund-raising event for the Member's unrestricted personal use, if the event were sponsored by a group independent of the Member.

BACKGROUND AND DISCUSSION:

House Rule XLIII, clause 7, as amended on March 2, 1977, prohibits the conversion of proceeds from testimonial dinners or other fund-raising events to a Member's personal use. The Select Committee stated in Advisory Opinion #4 that a mass mailing constituted a fund-raising event for purposes of Rule XLIII, clause 7, and concluded that neither a Member nor his spouse could directly solicit funds for personal use by a fund-raising technique such as a mass mailing.

An additional question has been asked which concerns the acceptance of funds for a Member's unrestricted personal use that are raised by a group independent of the Member, his spouse, staff, or campaign committee.

As a general proposition, House Rules do not affect the actions of any individuals or organizations which are independent of a Member of Congress. The issue before the Select Committee, however, is not whether an independent group may conduct a fund-raising event, but whether a Member may accept the proceeds of such an event given in his behalf when such proceeds are for the Member's unrestricted personal use.

A major thrust of the provisions contained in the new House Rules was to severely limit the potential for Members of Congress to use their positions of influence for personal gain. In this context, therefore, it is irrelevant whether the Member himself solicits these funds, or whether the Member accepts funds for personal use that are solicited on his behalf by an independent committee.

Rule XLIII, clause 2 specifically states that a Member shall "adhere to the spirit and letter of the Rules of the House of Representatives." The clear intent of clause 7 is to prevent the acceptance of proceeds from fund-raising events for personal use. Thus, to allow a Member to accept such proceeds if raised by a paper "Dinner Committee," "Fund-raising Committee," or similar subterfuge would render Rule XLIII, clause 7 meaningless.

Finally, the Committee recognizes the distinction between the treatment of proceeds from a fund-raising event for purposes of Rule XLIII, clause 7, and acceptance of gifts for purposes of Rule XLIII, clause 4. Clause 4 does not prohibit the acceptance of gifts from anyone who is not a foreign national or does not have a direct interest in legislation before the Congress. Clause 7, however, addresses gifts from fund-raising events, specifying that proceeds from such events should not be treated as personal gifts, but as campaign contributions.

SUMMARY OPINION:

For purposes of House Rule XLIII, clause 7, a Member is prohibited from accepting the proceeds from a fund-raising event for his unrestricted personal use.

DEFENDANT'S
EXHIBIT
36 EVID.

June 3, 1977

The Honorable Richardson Preyer, M. C.
Chairman, the Select Committee on Ethics
2344 R.H.O.B.

Dear Mr. Chairman:

I am writing this letter at the request of my husband, Congressman George Hansen, to advise you of my intentions with regards to certain actions taken by your committee.

As you probably know, my husband plans to abide by your decisions with regard to his request to raise funds to pay off politically-caused personal indebtedness. Neither he, nor I, nor an independent committee will solicit funds in his behalf.

However, I believe the Committee has been totally unreasonable in this matter and I can't help but be disturbed at the double standards I have witnessed.

While my husband has carefully asked the Federal Election Commission and your Committee and other appropriate authority for permission and guidance to solve a very real and legitimate personal problem arising from political dirty tricks and harrassment, I have witnessed instance after instance of Members of Congress taking solicited funds, including campaign contributions, for personal use without asking and the Committee has had little to say about it.

Now, let me inform you that I don't intend to stand by and let a Committee of Congress or anyone else deprive me of the basic rights of a citizen of this nation to pay my bills and protect my home. Many members of your Committee talk a good story about civil rights and the equality of women but then they sit there smugly and deny those very rights to the wife of a Member of Congress.

I am a citizen of Idaho which is a community property state and therefore I stand liable for half of this politically-caused indebtedness. Furthermore, if my husband should die, it is all my responsibility.

Therefore, faced with this burdensome personal indebtedness, I have as a matter of love for my husband and children and financial preservation of our family insisted upon a financial settlement between my husband and myself legally and properly dividing our property. In part the property settlement provides that my husband assume such debts as those of the family, the home, cars, charge cards and such and that I assume a substantial portion of those debts politically incurred.

This separation of personal finances is done with considerable difficulty to us as a family, not only now but for years to come -- which seems a strange way for you to treat the victims of ugly politics.

However, I do what I must. Let me advise you that as a matter of personal and family survival, I plan to raise funds at an early date to pay my half of the debts in proper and legal fashion. Your arbitrary rules may extend to my husband as a Member of Congress, but I do not belong to that body. I am a free agent with rights and responsibilities of my own and I'll take my case to the courts and to the people if necessary.

Sincerely,

Connie D Hansen

Mrs. George V. Hansen

RICHARDSON PREYER
6th District, North Carolina

1344 Rayburn House Office Building
Washington, D.C. 20515

Committees:
INTERSTATE AND
FOREIGN COMMERCE
GOVERNMENT OPERATIONS
SELECT COMMITTEE ON
ASSASSINATIONS
Chairman Kennedy Subcommittee

Congress of the United States
House of Representatives
Washington, D.C. 20515

DISTRICT OFFICES:
103 Federal Building
Burlington, N.C. 27215

249 Federal Building
Greensboro, N.C. 27401

409 Law Building
High Point, N.C. 27260

Rockingham
County

June 8, 1977

DEFENDANT'S
EXHIBIT
37 EVID.

Mrs. George Hansen
4700 38th Place North
Arlington, Virginia 22207

Dear Mrs. Hansen:

Thank you for your letter of June 3 advising me of your intention to proceed with a personal fund-raising effort to retire certain debts that you have assumed.

I hope that you will understand that the content of the advisory opinions addressing issues referred to us by your husband were in no way meant to infringe on your civil rights nor on your equality as a woman. Neither were those opinions aimed in any personal way against your husband or your family.

The Code of Ethics adopted by the House on March 2 resulted directly from sustained public criticism of some Members' actions prior to that date. Your statement that Members converted campaign contributions to personal use before the ethics code was adopted is entirely correct. It is also true that such conversion was not prohibitied before March 2 as it is now.

I have asked the Select Committee's Staff Director if our staff is aware of any such conversions since the code was adopted. He advised me that no such situations have been brought to his attention.

Thank you again for your advice and views.

Cordially,

Richardson Preyer

RP:bjb

GEORGE HANSEN
SECOND DISTRICT, IDAHO

1125 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
TEL.: (202) 225-5531

COMMITTEES-SUBCOMMITTEES:
BANKING, FINANCE AND URBAN AFFAIRS
DOMESTIC MONETARY POLICY (RANKING MEMBER)
FINANCIAL INSTITUTIONS SUPERVISION
OVERSIGHT AND RENEGOTIATION
VETERANS' AFFAIRS
CEMETERIES AND BURIAL BENEFITS
MEDICAL FACILITIES AND BENEFITS

Congress of the United States
House of Representatives
Washington, D.C.

IDAHO DISTRICT OFFICES:
UPPER SNAKE RIVER VALLEY
211 FEDERAL BUILDING
BOX 740, IDAHO FALLS, IDAHO 83401
TEL.: 523-5341
SOUTHEASTERN IDAHO
225 FEDERAL BUILDING
250 S. 4TH AVENUE
POCATELLO, IDAHO 83201
TEL.: 232-0900
MAGIC VALLEY
1061 BLUE LAKES BOULEVARD NORTH
TWIN FALLS, IDAHO 83301
TEL.: 734-6486
WESTERN IDAHO
442 BORAH FEDERAL BUILDING
304 NORTH 8TH STREET
BOISE, IDAHO 83701
TEL.: 384-1876

May 9, 1978

DEFENDANT'S
EXHIBIT
38 EVID.

Honorable Richardson Preyer
Chairman, Select Committee on Ethics
3557 House Office Building, Annex #2

Dear Mr. Chairman:

By reason of information which appeared in a May 7th newspaper in my Congressional District I have been subjected to innuendo that my recent Financial Disclosure Statement filed pursuant to Rule XLIV is in some manner inadequate or incomplete. I immediately contacted Staff Directors Donald Terry of the Select Committee on Ethics and John M. Swanner of the House Committee on Standards of Official Conduct and certain Members of those committees to protest the quotes ascribed to a staff member in that article.

At my request I met with Mr. Terry and Attorney James Haltiwanger of the Standards Committee Monday afternoon in company with my Attorney James T. McKenna. Mr. Haltiwanger advised me that the reporter in question, Mr. David Morrissey of the Twin Falls Times News, had telephoned him several times last week and that he had answered all questions in a purely hypothetical manner. He stated that the reporter had misused the quotes, leaving out the essential hypothetical nature of the answers and most particularly he had omitted Mr. Haltiwanger's statement that my report was complete on its face and that he knew of no irregularities. Mr. Haltiwanger said that on Thursday the conversation was so warped he was compelled to tell the reporter that his contentions were a lie and believes it possible that he was named in the article as an act of vengeance.

While there is no doubt as to the sincerity and integrity of Mr. Haltiwanger, the misuse of the quotations has the potential for causing me great embarrassment. You will remember that prior to arranging my affairs in order to satisfy the requirements of my situation, that your committees were kept advised at all times of the manner in which I planned to proceed and then of my wife's intended course of action and the details of her decision.

At considerable expense I retained legal counsel to procure a ruling from the Federal Election Commission and to assure my compliance with the legal matters under jurisdiction of the Justice Department before moving to satisfy the rules and standards of the House as administered by the Select Committee on Ethics and the Committee on Standards of Official Conduct.

My entire course of action was predicated upon conforming to the law and to the rulings of both committees, and my wife has proceeded likewise when it became necessary for her to act independently. We executed a specific property division agreement effective in June 1977 in compliance with the law and House Rules to enable each party to be free of any "constructive control" of the other. This was done at my wife's insistence that her civil rights were being violated by arbitrary Congressional Rules threatening her survival and that she was entitled to independently protect and provide for herself by her own devices.

This property division agreement was not arbitrarily or opportunely made for reporting purposes but rather done at an early date to satisfy House Rules and according to legal guidelines. Nevertheless this created an exemption of spouse reporting according to Rule XLIV which states, "The interest of a spouse or any other party, if constructively controlled by the person reporting, shall be considered to be the same as the interest of the person reporting."

Rule XLIV under provisions adopted effective July 1, 1977 further states, "Each report shall also contain information listed in paragraphs 1 through 5 of this part B respecting the spouse of the person reporting which information relates to items under the constructive control of such person."

Advisory opinion #12 issued December 1, 1977 specifically acknowledges the exclusion of spouses not under "constructive control" in providing additional detailed requirements for spouse disclosure--requirements which clearly do not apply to those not under "constructive control" as in the case of my wife whose financial situation has been legally separated from my own.

Any disclosure of my wife's interests now by me is not possible and would be an infringement upon her legal independence and privacy and unilaterally abortive of the settlement agreement made earlier in compliance with House Rules.

I am confident that my filing, done carefully with advice of legal counsel, is completely in accord with the appropriate Rules of the House and in accord with the course of action of which we have kept your office completely advised. At this time I respectfully request confirmation of the validity of my report.

In addition, my filing was made timely and in good faith and comments by staff with the potential for severe damage to me and to my wife are particularly inappropriate. This is not the first time the Ethics staff has been victimized by designing elements of the press where I am concerned and I must assume that Mr. Haltiwanger joins with me in condemning the shoddy reportorial technique which produced the article of which I complain. I would expect that your committees will take early steps to correct the record in this matter.

Sincerely yours,

George Hansen

GEORGE HANSEN
Member of Congress

GH:mw

cc: Hon. Charles E. Wiggins
Ranking Minority Member
Select Committee on Ethics

Hon. Bill Frenzel
Member
Select Committee on Ethics

Hon. John J. Flynt
Chairman
Standards of Official Conduct

Hon. Floyd D. Spence
Ranking Minority Member
Standards of Official Conduct

4700 38th Place North
Arlington, Virginia 22207

May 11, 1978

DEFENDANT'S
EXHIBIT
39 EVID.

Honorable Richardson Preyer
Chairman, Select Committee on Ethics
3557 House Office Building, Annex #2
Washington, D. C. 20515

Dear Mr. Chairman:

A property settlement agreement between me and my husband, Congressman George Hansen, effective in June of 1977 was duly executed in accordance with Idaho law.

This was done necessarily to protect my civil rights, personal privacy and individual financial right to survive.

Assets and debts assumed by me were precisely what an equitable legal division would allow, and nothing else.

Having gone to this trouble and expense I consider myself an independent citizen absolutely and legally not under the "constructive control" of my husband. And I might add, he is also an independent citizen not under my "constructive control."

I plan to take care of my financial needs and problems in accordance with the law and the highest standards of ethics and will in no way be adversely influencing my husband's life or responsibilities as a Member of Congress or whatever capacity he might hold.

But beyond this, what I do with my private life is legally my private business. I am not a Member of Congress and have no further obligation to you or your committee.

What my husband does may be yours to supervise, but he is in no legal position to involve me.

Sincerely,

Connie Hansen

(Mrs.) CONNIE S. HANSEN

DEFENDANT'S EXHIBIT 40 EVID.

MEMORANDUM OF PROPERTY SETTLEMENT AGREEMENT

THIS MEMORANDUM, executed this 30th day of September, 1977, by the parties hereto, of A PROPERTY SETTLEMENT AGREEMENT, made and entered into on the 21st day of June, 1977, by and between GEORGE V. HANSEN, hereinafter referred to as "Husband", residing in Pocatello, Bannock County, Idaho; and CONSTANCE S. "CONNIE" HANSEN, hereinafter referred to as "Wife", presently residing with Husband in Pocatello, Bannock County, Idaho;

WITNESSETH:

WHEREAS, these parties were married on the 19th day of December, 1952, in Malden, Dunclin County, Missouri, and since that time have been and now are husband and wife; and,

WHEREAS, five children have been born the issue of these parties, namely:

Steven G. Hansen, born October 3, 1953, now age 23;
James V. Hansen, born December 20, 1954, now age 22;
Patricia S. Hansen, born April 18, 1956, now age 21;
William D. Hansen, born May 13, 1959, now age 18;
Joanne Hansen, born April 25, 1960, now age 17; and

WHEREAS, out of love and affection for each other, because of the deep mutual respect for the position of the other in their marriage, and out of a mutual desire to provide for their children and to protect their family from economic ruin, it has become necessary by reason of the personal economic burdens caused these parties by malicious, illegal and improper political attacks during the three-year period last past to divide their community property between them and to otherwise arrange and settle by mutual agreement, all present and future property rights, and to arrange for this disposition.

NOW, THEREFORE, the parties mutually agree as follows:

1. In dividing their community assets and liabilities between them so as to constitute such assets and liabilities as separate property, it is the purpose of these parties to make an equal division between them as to net value.

2. From the community property of these parties, the Husband shall have as his sole and separate property, free and clear of any right, title and interest of the Wife, the following items:

(a) Earnings of the Husband, subject to a separate maintenance to Wife in the sum of $1,000.00 per month, or such other sum as the parties may hereafter agree;

(b) Husband's United States Retirement Fund, which presently amounts to the sum of $8,735.75;

(c) United States House of Representatives' Sergeant of Arms' account, having the present value of $578.15;

(d) New York Life Insurance Company commission agent residuals, presently amounting to approximately $100.00 per year;

(e) Two whole life insurance policies with New York Life Insurance Company on Wife's life for $65,000.00, with Husband as beneficiary, and which are subject to $6,000.00 loan indebtedness, therefore having little cash value;

(f) Funds in a checking account at the Valley Bank, Pocatello, Idaho, in the amount of $1,100.00;

(g) Husband's clothing and personal effects.

3. From the community property of these parties, the Wife shall have as her sole and separate property, free and clear of any right, title and interest of the Husband, the following items:

(a) All real property of these parties, with improvements thereon, including, but not limited to, the following:

(1) The real property and house situated thereon located at 4700 38th Place North, Arlington, Virginia, presently having an appraised value of $155,800.00;

(2) The real property and house situated thereon, located at 730 Ada, Paragould, Arkansas, presently having an appraised value of $27,000.00;

(3) The real property and building situate thereon, being the present site of the Copy Cat business, located at 420 North Main Street, Pocatello, Idaho, having a present value of $125,000.00;

(b) A real property sales contract in escrow for real property located in Tetonia, Idaho, having the present value of $1,518.49;

(c) The Copy Cat business located at 420 North Main Street, Pocatello, Idaho, and presently worth $40,000.00, including inventory valued at $8,000.00 and printing and other equipment and furnishings having a value of $18,822.00;

(d) Loan accounts receivable in the present amount of $7,500.00;

(e) Office equipment having the present value of $5,000.00;

(f) Household furnishings, fixtures and appliances located in the Arlington, Virginia, house, having the present value of $26,200.00;

(g) Household furnishings, fixtures and appliances located in the Paragould, Arkansas, house and in the Pocatello, Idaho, rented apartment, having the present value of $5,500.00;

(h) Tax refund presently due and owing for the year 1976, having a value of approximately $9,000.00;

(i) Monies in bank, checking and savings accounts located at the following listed banks, which accounts were in the amounts stated as of June 21, 1977:

(1)	Valley Bank, Driggs, Idaho ...	$ 2,100.00
(2)	MFT Bank, Salt Lake City, UT .	2,700.00
(3)	Bank of Idaho, Pocatello, ID .	100.00
(4)	First Security Bank, Pocatello Idaho	105.91

(5)	First National Bank, Paragould, Arkansas	$ 270.00
(6)	Idaho State Bank, Glenns Ferry, Idaho	660.00
(7)	Arlington Trust Co., Arlington, Virginia	5,122.76
(8)	First Bank of Virginia, Arlington, Virginia	513.73

(j) The following automobiles having a total value of $18,000.00:

(1) One 1976 Hornet two-door hatchback;
(2) One 1977 two-door Chevrolet Monte Carlo;
(3) One 1975 four-door Oldsmobile Regency;
(4) One 1975 four-door Oldsmobile Cutlass.

(k) All right, title and interest in and to the following life insurance policies with New York Life Insurance Company on the life of Husband, in the amounts and face values as follows:

(1) $100,000.00 whole life policy;
(2) $50,000.00 whole life policy;
(3) $50,000.00 whole life policy;
(4) $10,000.00 whole life family plan policy;
(5) $40,000.00 term insurance to the extent assignable.

The parties acknowledge that the foregoing whole life insurance policies are subject to indebtedness that renders their respective cash values virtually a nullity.

(l) Clothing and personal effects of Wife.

4. From the community debts, the Husband shall assume as his sole and separate debts, from which the Wife shall be free of any liability or obligation, the following items:

(a) The indebtedness on all real property of these parties, including, but not limited to, the following properties for the following amounts:

(1) The real property and house situated thereon located at 4700 38th Place North, Arlington, Virginia, presently subject to an indebtedness in the sum of $105,000.00;

(2) The real property and house situated thereon, located at 730 Ada, Paragould, Arkansas, presently subject to indebtedness in the sum of $3,468.69;

(3) The real property and building situated

thereon, being the present site of the Copy Cat business, located at 420 North Main Street, Pocatello, Idaho, presently subject to indebtedness in the sum of $80,000.00;

(b) Secured indebtedness on equipment located in the Copy Cat business in the sum of $9,763.00;

(c) Credit and charge card payables and accounts in the sum of $7,000.00;

(d) Attorneys' fees in the sum of $4,999.39;

(e) Loans from New York Life Insurance Company on the policies on the lives of both Husband and Wife in the total sum of $44,552.77 (including the sum of $9,306.93 required to pay New York Life Insurance Company to reinstate some of the policies for back premiums);

(f) Loan from the United States Retirement Fund in the sum of $23,500.00;

(g) Loan from the Valley Bank, Pocatello, Idaho, in the sum of $10,000.00;

(h) Loan from the Bank of Idaho, Pocatello, Idaho, in the sum of $13,000.00;

(i) Loan from Idaho Bank & Trust, Pocatello, Idaho, in the sum of $10,536.14;

(j) Loan from the First Bank & Trust, Malad, Idaho, in the sum of $22,044.78;

(k) Secured loan on some of the above referenced automobiles from the Valley Bank, Idaho Falls, Idaho, in the sum of $3,700.00;

(l) Loan from the First Security Bank, Pocatello, Idaho, in the sum of $12,150.00;

(m) Loan from the Idaho State Bank, Glenns Ferry, Idaho, in the sum of $10,000.00;

(n) Loan from the Arlington Trust Company in Arlington, Virginia, in the sum of $2,439.58;

(o) Indebtedness to the House of Representatives' Sergeant of Arms' account in the sum of $13,200.00;

(p) Present interest owed on outstanding indebtedness, $17,200.00;

(q) Personal loans in the total sum of none $ --00.00-- .

5. From the community debts, the Wife shall assume as her sole and separate debts, from which the Husband shall be free of any liability or obligation, the following items:

(a) Loan from the First National Bank, Dallas, Texas, in the sum of $50,000.00;

(b) Personal loans in the sum of $ 372,750.00 .

6. The parties hereby agree to maintain in force the policies of insurance awarded to them by the terms hereof.

7. It is understood and agreed that the Husband may claim all children as may be dependent at any time as exemptions on his income tax returns.

8. The parties acknowledge that funds received by Wife as a result of a personal solicitation, commencing in May and June, 1977, are gifts to the Wife and are therefore her separate property.

9. Husband shall pay to Wife, as and for separate maintenance, the sum of $1,000.00 per month, or such other sum as hereafter agreed to by the parties in writing.

10. Tax refunds from any joint income tax filings by these parties shall be divided between these parties as separate proceeds in proportion to each party's respective reported gross income.

11. All references herein to the term "present", with reference to value, refer to the date of June 21, 1977.

12. Husband shall provide such funds as may be necessary to support and maintain the minor children of these parties.

13. Each of the parties hereto agrees to execute, sign and deliver over to the other party, any and all documents, certificates, titles, deeds and other instruments as

may be necessary to convey and transfer the hereinabove listed real and personal property to the party indicated, and to do so within a reasonable time upon request by the other party.

14. It is further agreed that any and all property acquired from and after the effective date of this agreement shall be the sole and separate property of the one so acquiring the same, and each of the parties hereto does hereby waive any and all right in or to such future acquisitions and does hereby grant to the other all such future acquisitions of property as the sole and separate property of the one so acquiring the same.

15. Each party hereto does hereby waive any and all right to inherit the estate of the other at his or her death or to take property from the other by devise or bequest unless under a will executed subsequent to the effective date hereof, or to claim any family allowance or probate homestead or to act as personal representative of the estate of the other (except as a nominee of the other person legally entitled to said right) or to act as the personal representative under the will of the other, unless under a will executed subsequent to the effective date hereof.

16. The effective date of this agreement shall be September 30, 1977, and all values as of June 21, 1977, are for reference purposes only.

17. Each of the parties hereto, upon execution of this agreement, waives as to the other any claim, right, title and interest awarded by said agreement to the other, and waives all other claims, save and except as herein provided, and each agrees that he or she will not incur any liability on behalf of the other, recognizing that the property

herein awarded to the other is the sole and separate property of the party to whom so awarded.

18. All matters affecting the interpretation of this agreement and the rights of the parties hereto shall be governed by the laws of the State of Idaho.

19. All provisions of this agreement shall be binding upon the respective heirs, next of kin, personal representatives and assigns of the parties hereto.

20. This agreement shall be executed in quadruplicate, each of which so executed shall be deemed an original and shall constitute one and the same agreement, with an executed copy to be retained by each of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, and have hereby caused this agreement to be executed upon the 30th day of September, 1977.

George V. Hansen
GEORGE V. HANSEN

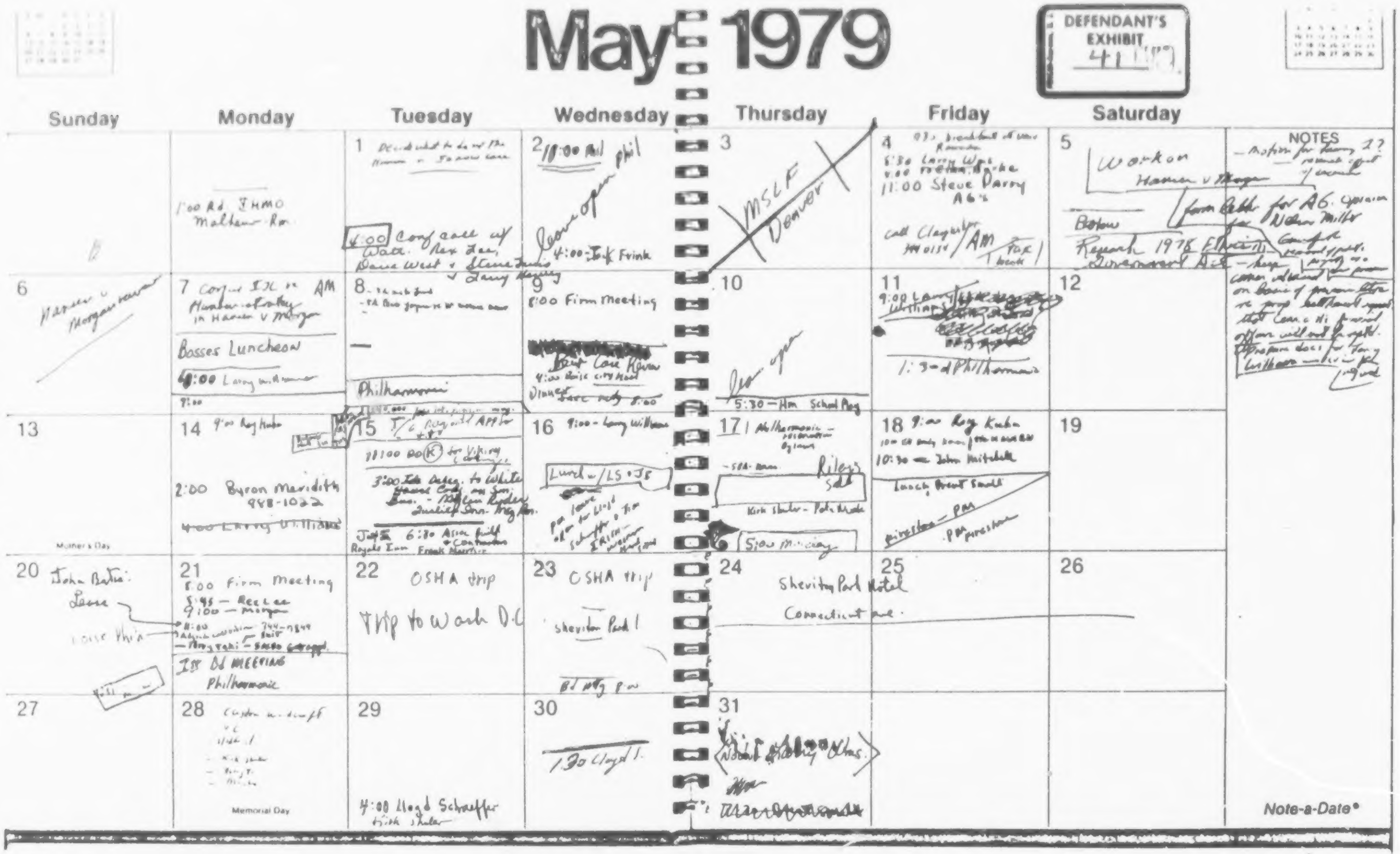
Constance S Hansen
CONSTANCE S. HANSEN

Washington
~~STATE OF IDAHO~~)
District of Columbia) ss.
~~COUNTY OF ADA~~)

On this 30th day of September, 1977, before me, the undersigned, a Notary Public in and for the State of Idaho ~~said State~~, personally appeared GEORGE V. HANSEN and CONSTANCE S. HANSEN, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

John L. Runft
Notary Public for State of Idaho,
Residing at Boise, Idaho.



DEFENDANT'S EXHIBIT 41

May 1979

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	NOTES
	1:00 Rd. THMO Malten-Ro	1 Decide what to do w/ the Hansen v. [illegible] case 4:00 Conf call w/ Watt, Rex Lee, Dave West & Steve [illegible] & Larry [illegible]	2 10:00 Phil leave open phil 4:00 - Jack Frink	3 ~~MSLF Denver~~	4 9:30 breakfast of [illegible] 5:30 Larry Wise 9:00 [illegible] 11:00 Steve Darry AG's call Clayton [illegible] / AM Tax book	5 Work on Hansen v Morgan form letter for AG opinion for Nelson Miller Below Research 1978 Election Amendment Act	— motion for [illegible] ?? — [illegible] of counsel — [illegible] [illegible] on basis of [illegible] that Conn. & [illegible] offices will [illegible]. Prepare docs for Larry Williams [illegible]
6 Hansen v Morgan [illegible]	7 Conf w/ I.H. re AM Memo of Points in Hansen v Morgan Bosses Luncheon 4:00 Larry Williams 9:00	8 [illegible] — Philharmonic	9 8:00 Firm Meeting [redacted] Beat Case Kevin 4:00 Boise City Hall Dinner [illegible] 8:00	10 leave open 5:30 — Hm School Play	11 9:00 Larry [illegible] [illegible] 1:30 — d Philharmonic	12	
13 Mother's Day	14 9:00 Ray Kuhn [illegible] 2:00 Byron Meridith 948-1022 ~~4:00 Larry Williams~~	15 [illegible] APP for [illegible] 11:00 DO (K) for Viking [illegible] 3:00 [illegible] to White House [illegible] [illegible] Quality [illegible] Jeff 6:30 Assoc. Bldg. & Contractors Royale Inn Frank Martin	16 9:00 - Larry Williams Lunch w/ LS & JS [illegible]	17 Philharmonic — [illegible] — SBA [illegible] Riley's Kirk [illegible] - [illegible] 5:00 [illegible]	18 9:00 Ray Kuhn 10:00 [illegible] 10:30 — John Mitchell Lunch Brent Small Firestone — PM PM Firestone	19	
20 John Batie: Leave Leave Phila	21 8:00 Firm Meeting 8:45 — Rex Lee 9:00 — Morgan 11:00 [illegible] 744-7849 — [illegible] — [illegible] 1st Bd MEETING Philharmonic	22 OSHA trip Trip to Wash D.C	23 OSHA trip Sheraton Park! Bd Mtg 8 pm	24 Sheraton Park Hotel Connecticut Ave.	25	26	
27	28 Clayton [illegible] [illegible] Memorial Day	29 4:00 Lloyd Schaeffer Kirk Shuler	30 1:30 Lloyd I.	31 [illegible] Chas. [illegible]			

Note-a-Date®

jar
mon
inc

DEFENDANT'S
EXHIBIT
46 EVID.

JAR-MON CONSULTANTS, INC.
418 C Street, N.E. • Carriage House • Washington, D.C. 20002

DATE: April 7, 1982
TO: George Hansen
Gary Jarmin
Jim McKenna
FROM: Gina Jarmin
RE: Administrative Procedures

cc: Jim Martin

If no one has any objections I suggest we use the accounting firm Jar-Mon retains. They come highly recommended and are very reasonable.

The following information is needed to be on file in the office of the Treasurer (Gary's office) . This same information will be needed for the accountant also.

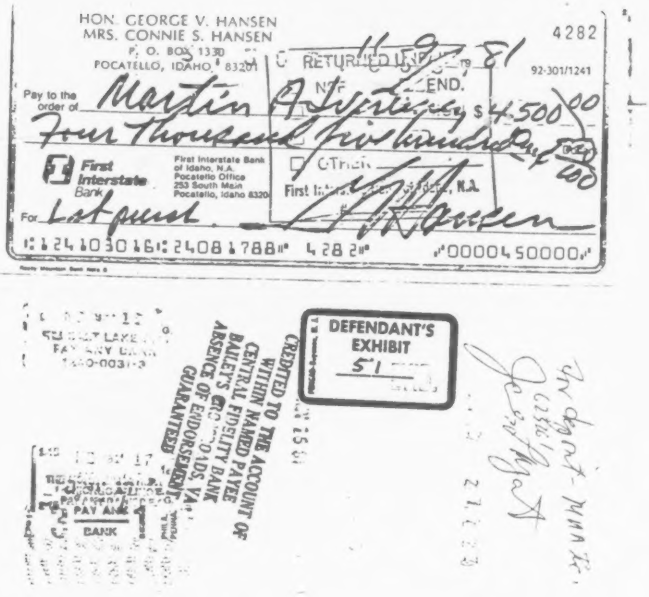
All invoices for:
- Metro Printing (approx. debt 65,000 according to J.M.)
- George Hansen 135,000
- AMLC (approximate debt 27,000 -- J.M.)
- Martin Advertising (approximate debt 25,000)
- Letter Com. (4,000 approximate debt -- J.M.)
- International Fulfillment (approx. debt 3,000 -- J.M.)
- Direct Tech (approximate debt 3,000 -- J.M.)
- Miscellaneous (approx. debt 2,000 -- J.M.)
  *Needs to be itemized
- *JAR-MON Consultants, Inc. (approx. debt 9,500 -- GAJ)
  Contract enclosed.
- *Sedam & Herge (approx. debt 1,703.66 -- GAJ)
  Invoices enclosed.

It will be extremely helpful to have invoices sent directly to my office. This will facilitate record keeping.

As time goes on administrative needs must be met (i.e. phone bills, file cabinets, rent, secretary, etc...) I suggest that we set aside a monthly allotment of funds to cover office overhead just as soon as our income becomes a bit more stable.

At this date expenses paid from the ACT checkbook total $90,993. $78,750 has been issued to Martin Advertising. At this point it appears as though over 85% of funds raised have gone to our fundraiser. The press could have a field-day with this. We are needlessly leaving ourselves open for harassment from the press. They are very capable of this on their own and I don't think we need to help them. Therefore I think we should begin paying our vendors directly, not through a second party.

I will be in touch to set-up a meeting and finalize details.



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

4282

RETURNED UNPAID
NSF
END.
☐ OTHER
First Interstate Bank of Idaho, N.A.

11-9 19 81

92-301/1241

Pay to the order of Martin Advertising $ 4,500 00

Four thousand five hundred & 00/100

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

For Lot purch.

G V Hansen

⑆124103016⑆ 2408 1788⑈ 4282⑈ ⑈0000450000⑈

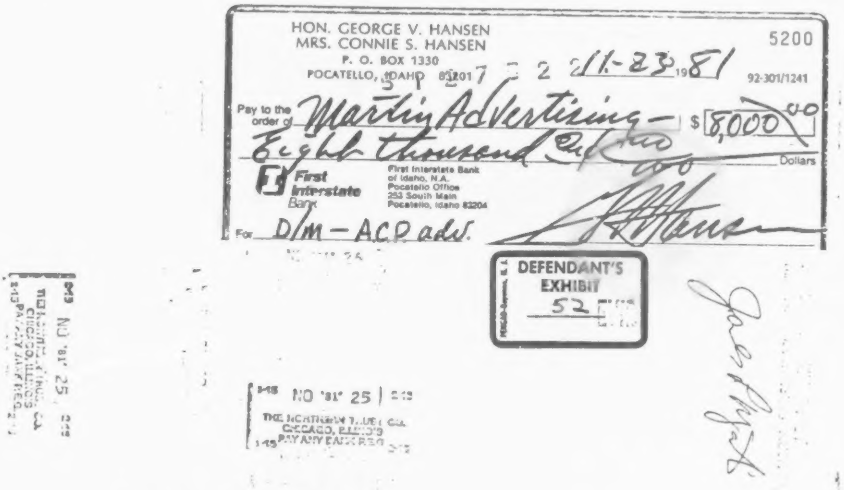
SALT LAKE
PAY ANY BANK
1240-0031-3

CREDITED TO THE ACCOUNT OF
WITHIN NAMED PAYEE
CENTRAL FIDELITY BANK
BAILEY'S CROSSROADS, VA.
ABSENCE OF ENDORSEMENT
GUARANTEED

PAY ANY BANK

DEFENDANT'S EXHIBIT
51

For deposit - MMA Inc.
023161
Jacob Myat



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

5200

11-23 19 81

92-301/1241

Pay to the order of Martin Advertising — $ 8,000 00

Eight thousand & 00/100 Dollars

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

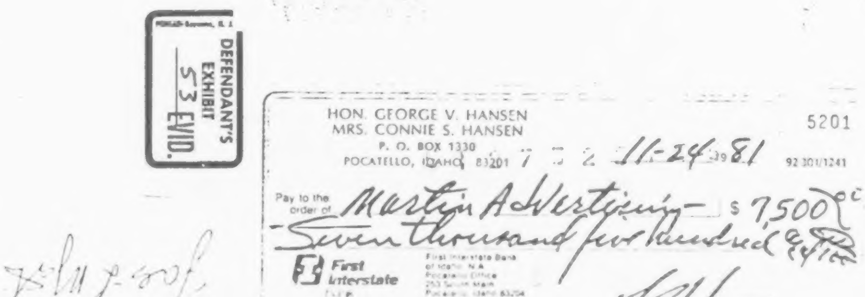
For D/M - ACP adv.

G V Hansen

NO '81 25
THE NORTHERN TRUST CO.
CHICAGO, ILLINOIS
PAY ANY BANK REG.

DEFENDANT'S EXHIBIT
52

Jacob Myat



DEFENDANT'S EXHIBIT
53 EVID.

HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

5201

11-24 19 81

92-301/1241

Pay to the order of Martin Advertising — $ 7,500 00

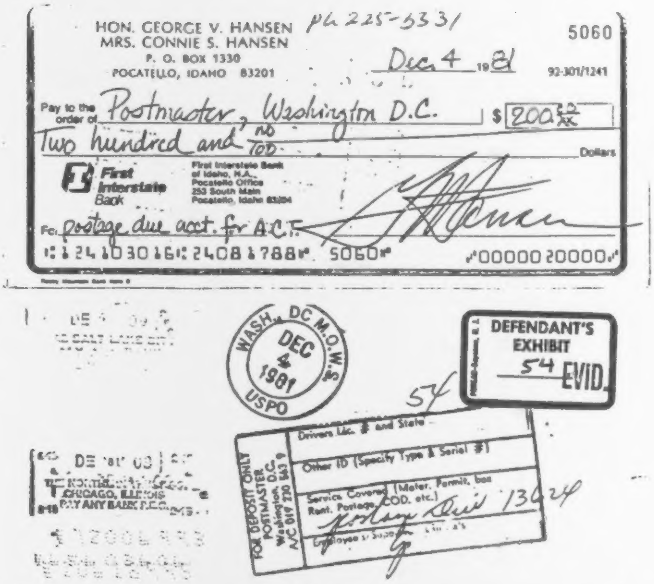
Seven thousand five hundred & 00/100

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

D/M - ACP adv.

G V Hansen

Jacob Myat



HON. GEORGE V. HANSEN pk 225-5331
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

5060

Dec 4 1981

92-301/1241

Pay to the order of Postmaster, Washington D.C. $ 200 00/xx

Two hundred and no/100 Dollars

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

For postage due acct. for A.C.T.

GVHansen

⑆124103016⑆ 2408 1788⑈ 5060⑈ ⑈0000020000⑈

DE 4 '81 09
SALT LAKE CITY

WASH. DC M.O.W.S. DEC 4 1981 USPO

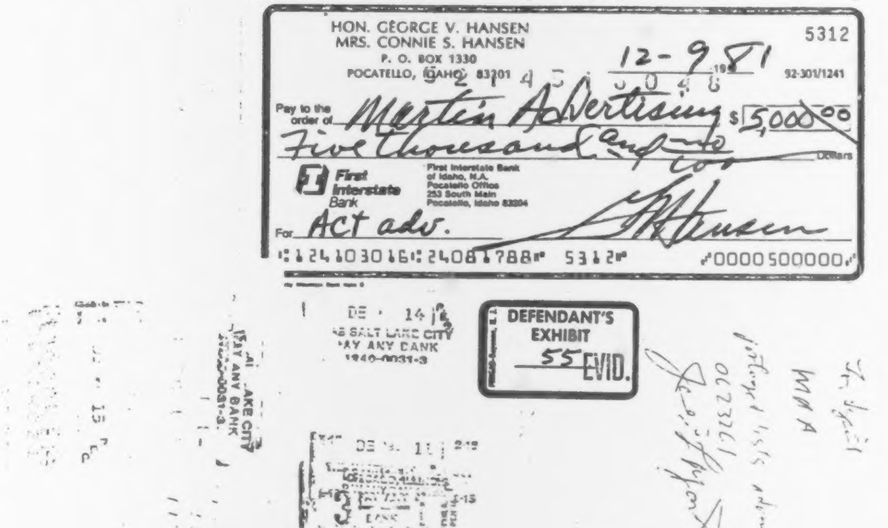
DEFENDANT'S EXHIBIT 54 EVID.

54

DE '81 03
NORTHERN TRUST CO.
CHICAGO, ILLINOIS
PAY ANY BANK P.E.G.

FOR DEPOSIT ONLY
POSTMASTER
Washington, D.C.
A/C 019 720 5619

Drivers Lic. # and State
Other ID (Specify Type & Serial #)
Service Covered (Meter, Permit, box Rent, Postage, COD, etc.) postage due 13624
Employee's Signature



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

5312

12-9 1981

92-301/1241

Pay to the order of Martin Advertising $ 5,000.00

Five thousand and no/100 Dollars

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

For ACT adv.

GVHansen

⑆124103016⑆ 2408 1788⑈ 5312⑈ ⑈0000500000⑈

DE 14
SALT LAKE CITY
PAY ANY BANK
1940-0031-3

DEFENDANT'S EXHIBIT 55 EVID.

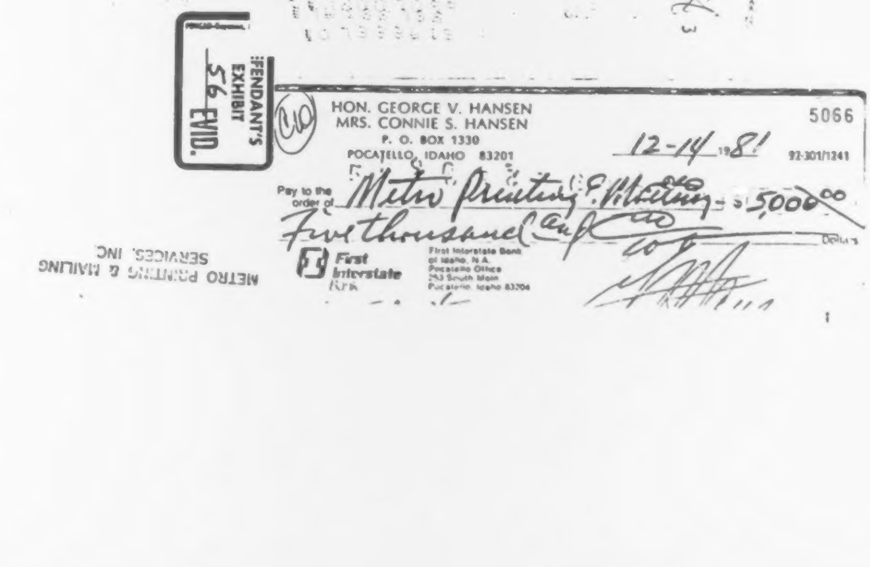
DE 15
SALT LAKE CITY
PAY ANY BANK

MMA

Fr. Joseph

postage & lists advance

OC 2326



DEFENDANT'S EXHIBIT 56 EVID.

HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

5066

12-14 1981

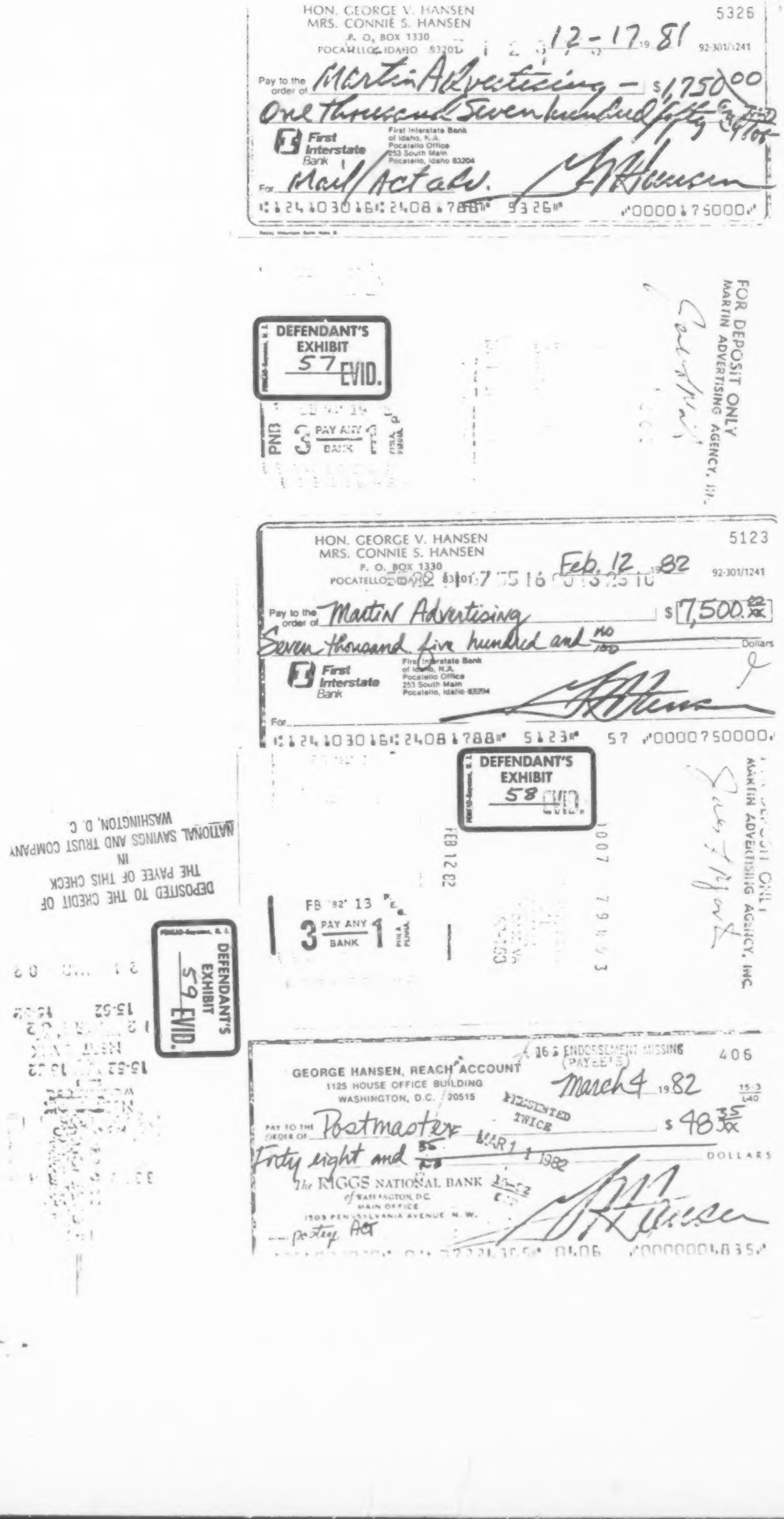
92-301/1241

Pay to the order of Metro Printing & Mailing $ 5,000.00

Five thousand and no/100 Dollars

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

METRO PRINTING & MAILING SERVICES, INC



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

5326

12-17-19 81

92-301/1241

Pay to the order of Martin Advertising — $1,750.00

One thousand Seven hundred fifty — Dollars

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

For Mail/Act adv.

G V Hansen

⑆124103016⑆ 2408 1788⑈ 5326⑈ ⑉0000175000⑉

FOR DEPOSIT ONLY
MARTIN ADVERTISING AGENCY, INC.

DEFENDANT'S EXHIBIT 57 EVID.

PNB 3 PAY ANY BANK 1 PHILA. PENNA.

HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

5123

Feb. 12 19 82

92-301/1241

Pay to the order of Martin Advertising $7,500.$\frac{00}{xx}$

Seven thousand five hundred and $\frac{no}{100}$ Dollars

First Interstate Bank
First Interstate Bank of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

G V Hansen

For

⑆124103016⑆ 2408 1788⑈ 5123⑈ 57 ⑉0000750000⑉

DEFENDANT'S EXHIBIT 58 EVID.

FOR DEPOSIT ONLY
MARTIN ADVERTISING AGENCY, INC.

FEB 12 82

FB '82 13 3 PAY ANY BANK 1 PHILA. PENNA.

DEPOSITED TO THE CREDIT OF
THE PAYEE OF THIS CHECK
IN
NATIONAL SAVINGS AND TRUST COMPANY
WASHINGTON, D. C.

DEFENDANT'S EXHIBIT 59 EVID.

406

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

16 ENDORSEMENT MISSING (PAYEE'S)

March 4 19 82

$\frac{15\text{-}3}{540}$

PRESENTED TWICE

PAY TO THE ORDER OF Postmaster $ 48$\frac{35}{xx}$

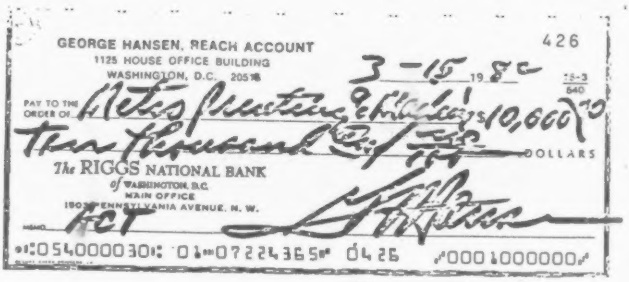
MAR 1 1982

Forty eight and $\frac{35}{100}$ DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

postage Act

G V Hansen



GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

426

3-15 1982

15-3
540

PAY TO THE ORDER OF Metro Printing & Mailing $10,000 00/100

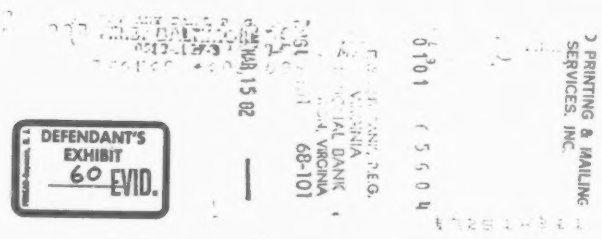
Ten thousand & 00/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

MEMO FCT

G Hansen

⑆054000030⑆ 01⑈07224365⑈ 0426 ⑈0001000000⑈



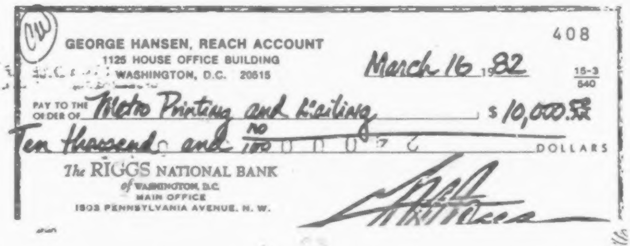
PRINTING & MAILING SERVICES, INC.

0101 5504

VIRGINIA
IAL BANK
VIRGINIA
68-101

MAR 15 82

DEFENDANT'S EXHIBIT 60 EVID.



GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

408

March 16 1982

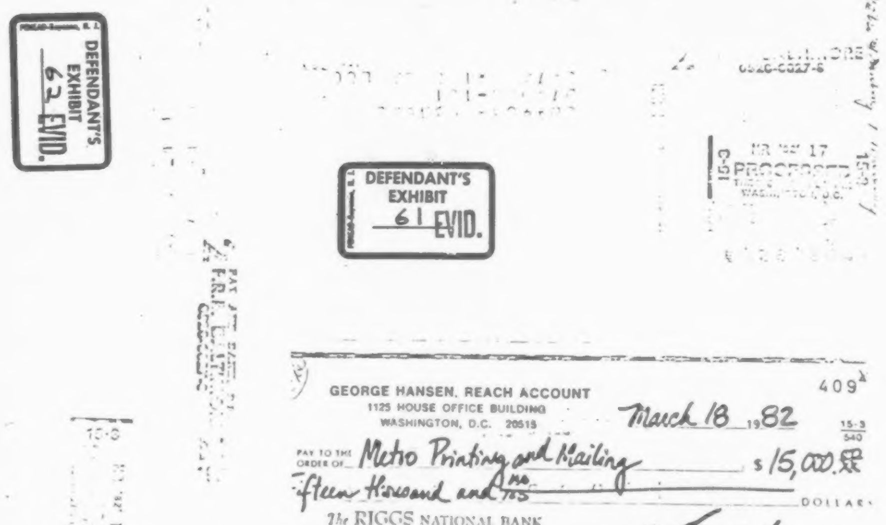
15-3
540

PAY TO THE ORDER OF Metro Printing and Mailing $10,000.00/100

Ten thousand and no/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

G Hansen



DEFENDANT'S EXHIBIT 62 EVID.

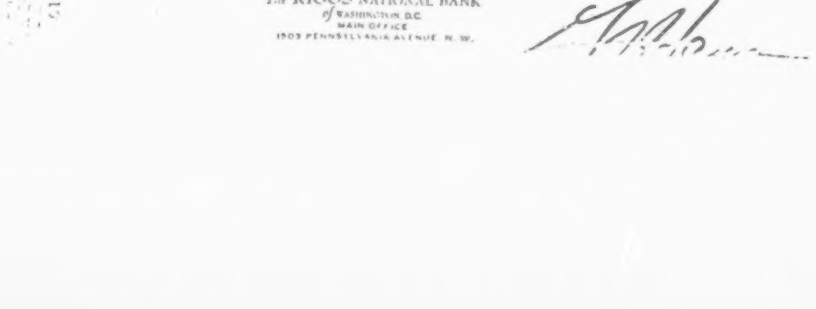
0526-0527-6

MAR '82 17
PROCESSED
WASHINGTON, D.C.
15-3

Metro Printing & Mailing

DEFENDANT'S EXHIBIT 61 EVID.

PAY ATT. F.R.B.



GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

409

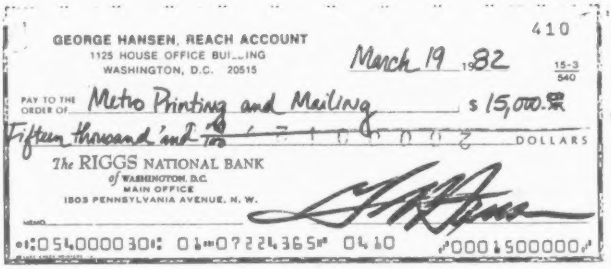
March 18 1982

15-3
540

PAY TO THE ORDER OF Metro Printing and Mailing $15,000.00/100

fteen thousand and no/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.



410

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

March 19 1982

15-3
540

PAY TO THE ORDER OF Metro Printing and Mailing $ 15,000.00

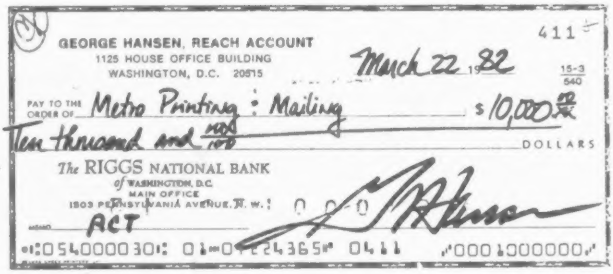
Fifteen thousand and no/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

MEMO

G Hansen

⑆054000030⑆ 01⑈07224365⑈ 0410 ⑈0001500000⑈



411

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

March 22 1982

15-3
540

PAY TO THE ORDER OF Metro Printing : Mailing $ 10,000.00

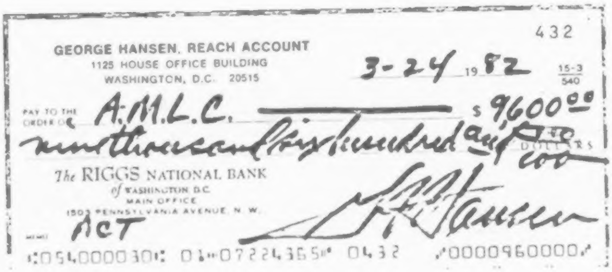
Ten thousand and no/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

MEMO ACT

G Hansen

⑆054000030⑆ 01⑈07224365⑈ 0411 ⑈0001000000⑈



432

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

3-24 1982

15-3
540

PAY TO THE ORDER OF A.M.L.C. $ 9,600.00

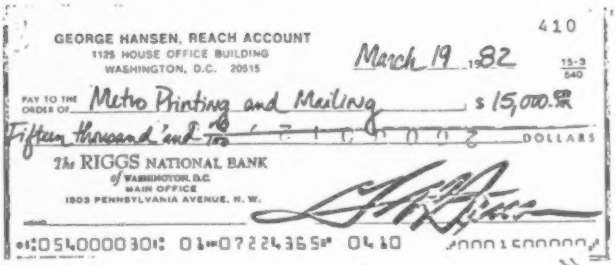
nine thousand six hundred and no/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

MEMO ACT

G Hansen

⑆054000030⑆ 01⑈07224365⑈ 0432 ⑈0000960000⑈



410

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

March 19 1982

15-3/540

PAY TO THE ORDER OF Metro Printing and Mailing $ 15,000.00/xx

Fifteen thousand and 00/100 DOLLARS

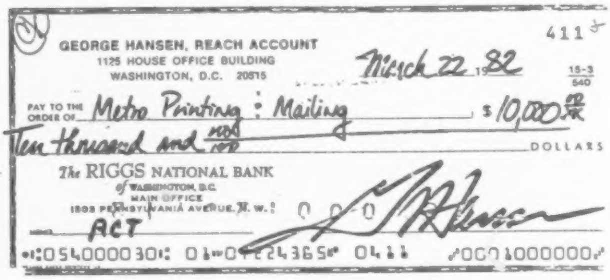
The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

⑆054000030⑆ 01⑈07224365⑈ 0410 ⑉0001500000⑉

Metro Printing & Mailing

15-3 MR '82 22 PROCESSED THE RIGGS NAT'L BANK WASHINGTON, D.C. 15-3

DEFENDANT'S EXHIBIT 63 EVID.



411

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

March 22 1982

15-3/540

PAY TO THE ORDER OF Metro Printing : Mailing $ 10,000.00/xx

Ten thousand and 00/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

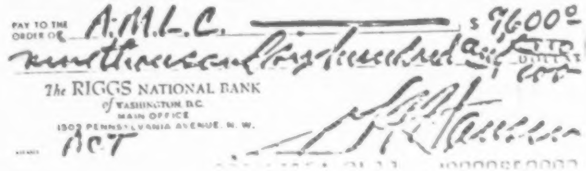
ACT

⑆054000030⑆ 01⑈07224365⑈ 0411 ⑉0001000000⑉

DEFENDANT'S EXHIBIT 65 EVID.

15-3 PROCESSED THE RIGGS NAT'L BANK WASHINGTON, D.C.

DEFENDANT'S EXHIBIT 64 EVID.



432

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

3-24 1982

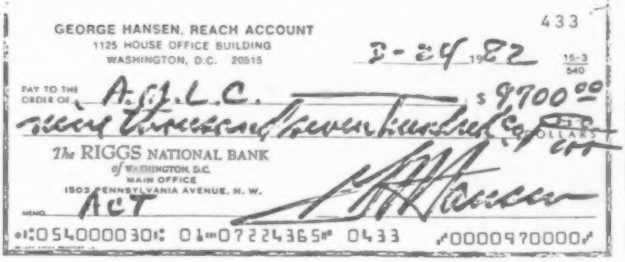
15-3/540

PAY TO THE ORDER OF A.M.L.C. $ 9600.00

nine thousand six hundred and 00/100 DOLLARS

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

ACT



433

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

3-24 1982

15-3/540

PAY TO THE ORDER OF A.M.L.C. $ 9700.00

Nine thousand seven hundred & 00/100 DOLLARS

The RIGGS NATIONAL BANK of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

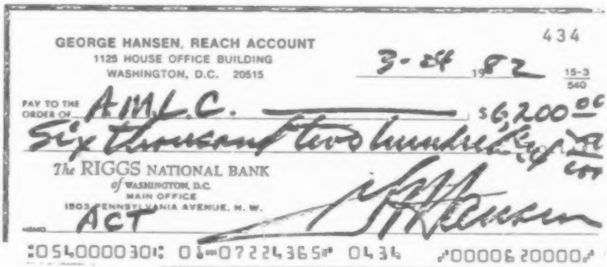
MEMO ACT

G. V. Hansen

:054000030: 01"07224365" 0433 "0000970000"

DEFENDANT'S EXHIBIT 66 EVID.

FOR DEPOSIT ONLY
American Mailing Lists Corp
American Mailing Lists
504-10-306-0



434

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

3-24 1982

15-3/540

PAY TO THE ORDER OF A.M.L.C. $6,200.00

Six thousand two hundred & 00/100

The RIGGS NATIONAL BANK of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

MEMO ACT

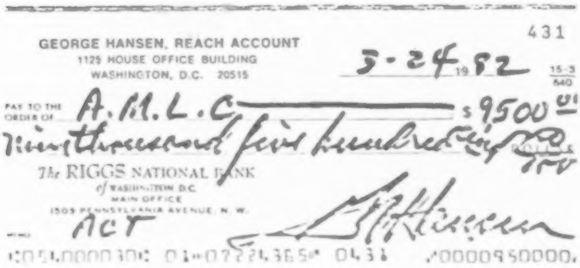
G. V. Hansen

:054000030: 01"07224365" 0434 "0000620000"

DEFENDANT'S EXHIBIT 67 EVID.

EXHIBIT 68 EVID.

FOR DEPOSIT ONLY
American Mailing Lists Corp
American Mailing Lists
504-10-306-0



431

GEORGE HANSEN, REACH ACCOUNT
1125 HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

3-24 1982

15-3/540

PAY TO THE ORDER OF A.M.L.C $9500.00

Nine thousand five hundred & 00/100 DOLLARS

The RIGGS NATIONAL BANK of WASHINGTON, D.C.
MAIN OFFICE
1503 PENNSYLVANIA AVENUE, N. W.

MEMO ACT

G. V. Hansen

:054000030: 01"07224365" 0431 "0000950000"

FOR DEPOSIT ONLY
American Mailing Lists Corp
American Mailing Lists
504-10-306-0

RUNFT & LONGETEIG CHARTERED
ATTORNEYS AND COUNSELORS AT LAW
420 WEST BANNOCK STREET
BOISE, IDAHO 83702
(208) 345-6521

DEFENDANT'S
EXHIBIT
73 EVID.

STATEMENT

Hon. G. V. Hansen
Room 1125
Longworth House Office Bldg.
Washington, D. C.

DATE: June 1, 1978

RE: Personal

FOR LEGAL SERVICES RENDERED AND COSTS INCURRED THROUGH MAY 1978, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

5-[illegible]-78	JLR	Telephone conference with George re financial report to House and re disclosures.	.5
5-[illegible]-78	JLR	Telephone conference with George and Jim McKenna re complaint about no report of Connie's debt in report by Congressman to Ethics Committee; telephone conference with George and Jim re above; telephone conference with George re response to Ethics Committee & further strategy	1.2
5-[illegible]-78	IJL	RE: Hoekstra - Finalize; letter to Alsop'	.6
5-[illegible]-78	IJL	Letter to title to; telephone conference with Hoekstra	.6

TOTAL LEGAL FEES	$174.00
Long distance phone expense	20.15
May copies expense	.30
Balance	$194.45
Balance due per previous statement	$3,966.23
Interest for May	26.73
Balance due	$4,187.41

The firm appreciates the confidence you have placed in us in allowing us to represent you in this matter. This statement is due and payable upon presentation. Accounts remaining unpaid after thirty days from billing date will accrue interest at 8% per annum.

ITEMIZATION OF ACCOUNT:

5/13/77	IJL	Conference with JLR	.
6/ 1/77	JLR	Telephone conference with George Hansen; telephone conference with George Hansen	.
6/ 2/77	IJL	Conference with JLR and Steve Swanson; telephone conference with Hoekstra's attorney	1.
6/ 2/77	JLR	Telephone conference with George Hansen re property settlement agreement and related matters, including letter to House Ethics Committee and Solicitation letter and related matters; conference with IJL re property settlement agreement and telephone conference with attorney for Hoekstra on purchase of Copy Cat Realty; telephone conference with George Hansen re disclosure of letter to House Ethics Committee	3.
6/ 3/77	IJL	Draft contract on Copy Cat Realty; letter to Dan Alsup	1.
6/ 9/77	JLR	Telephone conference with George Hansen and review of plans, letters, press, and related matters re Connie's solicitation effort; telephone conference with George Hansen re response from House Ethics Committee and re statesman editorial; telephone conference from George Hansen re news, etc.; telephone conference with Statesman; review outline for property settlement agreement	2.
6/10/77	JLR	Telephone conference with Mrs. Paul Hoekstra re finalization of terms of purchase contract for Copy Cat	.
6/14/77	JLR	Telephone conference with George Hansen re property settlement agreement, etc. and solicitation by Connie	.
6/21/77	JLR	Telephone conference with George Hansen re Hoekstra Contract	
6/22/77	JLR	Telephone conference with George Hansen re data for property settlement agreement	
6/23/77	JLR	Telephone conference with Steve Swanson's office re possibility of meeting Friday; telephone conference with Paul Hoekstra re amendments to lease;telephone conference with George Hansen; amend and finalize purchase agreement according to decisions of parties; telephone conference with George Hansen re personal solicitation effort and points in settlement agreement	2
6/24/77	JLR	Review file and prepare rough draft of property settlement agreement; meeting with George Hansen and review of provisions of property settlement agreement and execution of purchase agreement for realty	2

TOTAL LEGAL FEES ------------------------------$ 920.00

DEFENDANT'S
EXHIBIT
74 EVID.

INSTRUMENT No.

QUITCLAIM DEED

DEFENDANT'S EXHIBIT 75 EVID.

For Value Received

GEORGE V. HANSEN

do hereby convey, release, remise and forever quit claim

unto CONSTANCE S. HANSEN, whose address is 2700 38th Place, Arlington, Virginia,

the following described premises, to-wit:

Real property situate in Bannock County, Idaho, more particularly described as follows:

The South 26 feet of Lot 7 and all of Lots 8, 9 and 10, Block 429, Pocatello Townsite, and located at 420 North Main Street, Pocatello, Bannock County, Idaho.

together with their appurtenances.

Dated: September 30, 1977.

George V. Hansen

GEORGE V. HANSEN

STATE OF IDAHO, COUNTY OF ADA

On this 30th day of Sept., 1977, before me, a notary public in and for said State, personally appeared GEORGE V. HANSEN

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Notary Public

Residing at Boise, Idaho

Comm. Expires

STATE OF IDAHO, COUNTY OF

I hereby certify that this instrument was filed for record at the request of

at minutes past o'clock m.,

this day of

19 , in my office, and duly recorded in Book

of Deeds at page

Ex-Officio Recorder

By

Deputy

Fees $

Mail to:

289-A Quitclaim Deed (IDA)

Printed and for sale by Syms-York Company, Boise

INSTRUMENT No.

QUITCLAIM DEED

DEFENDANT'S EXHIBIT
76

For Value Received

GEORGE V. HANSEN

do hereby convey, release, remise and forever quit claim

unto CONSTANCE S. HANSEN, whose address is 2700 38th Place, Arlington, Virginia,

the following described premises, to-wit:

Real property situate in Greene County, Arkansas, more particularly described as follows:

That portion of the Northeast quarter of the Southeast quarter of Section 1, Township 16 North, Range 5 East, , described as follows: Beginning at the Southeast corner of said tract, run thence West 20 feet; run thence North 725 feet; run thence West 208.7 feet to the True Point of Beginning; run thence East 85 feet; run thence North 100 feet; run thence West 85 feet; run thence South 100 feet to the True Point of Beginning, being the premises known and numbered as 730 Ada Street, Paragould, Arkansas, as shown on the official plat thereof in Deed Book 151 at page 14 , records of Greene County, Arkansas.

together with their appurtenances.

Dated: September 30, 1977.

George V. Hansen

GEORGE V. HANSEN

STATE OF IDAHO, COUNTY OF ADA

On the 30th day of Sept., 1977, before me, a notary public in and for said State, personally appeared

GEORGE V. HANSEN

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Notary Public

Residing at Boise, Idaho

Comm. Expires

STATE OF IDAHO, COUNTY OF

I hereby certify that this instrument was filed for record at the request of

at minutes past o'clock m.,

this day of

19 , in my office, and duly recorded in Book

of Deeds at page

Ex-Officio Recorder

By Deputy

Fees $

Mail to:

288-A Quitclaim Deed (IDA)

Printed and for sale by Syms-York Company, Boise

INSTRUMENT No.

QUITCLAIM DEED

DEFENDANT'S EXHIBIT 77 EVID.

For Value Received

GEORGE V. HANSEN,

do hereby convey, release, remise and forever quit claim

unto CONSTANCE S. HANSEN, whose address is 2700 38th Place, Arlington, Virginia,

the following described premises, to-wit:

Lot 7, Foster's Third Addition to the Country Club Hills, Arlington County, Virginia.

together with their appurtenances.

Dated: September 30, 1977.

George V. Hansen

GEORGE V. HANSEN

STATE OF IDAHO, COUNTY OF ADA

On ~~this~~ the 30th day of Sept., 19 77, before me, a notary public in and for said State, personally appeared GEORGE V. HANSEN

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Notary Public

Residing at Boise, Idaho

Comm. Expires

STATE OF IDAHO, COUNTY OF

I hereby certify that this instrument was filed for record at the request of

at minutes past o'clock m.,

this day of

19 , in my office, and duly recorded in Book

of Deeds at page

Ex-Officio Recorder

By Deputy.

Fees $

Mail to:

[illegible]

Printed and for sale by [illegible] Company, Boise

Congressman George Hansen
House of Representatives
Washington, D.C. 20515

Dear Concerned American:

Your ancestors, and mine, wouldn't put up with it.

I don't believe you will either.

I'm talking about the awful truth of big government snooping and interference in the lives of American taxpayers.

I'm talking about the bone-chilling effect the Internal Revenue Service has on citizens across the country when the IRS decides to play prosecutor, judge and jury.

As prosecutor, judge and jury, the IRS ruthlessly tramples the Constitutional rights of taxpayers--individuals, small businessmen, church groups, farmers, any and every group is subject to their brazen and often illegal tactics.

You may not believe the horror stories I'm about to tell you.

You may not want to believe them.

But they're true. And they could happen to you!

Let me explain and tell you why I'm writing to you.

First, I want to assure you of one extremely important thing.

The IRS will not have access to your response to this letter.

Your reply will be kept strictly confidential.

Let me ask you a question before telling you what you can do to counter the IRS.

Does the IRS hassle you--abuse you--SCARE you?

That's exactly how they want you to feel, of course.

Afraid of them. Afraid to stand up for your rights.

The IRS has taken upon itself the role of intimidator of the public.

A former IRS agent expressed the problem to me with a story: "I was talking to a lady from Germany who said the IRS is getting like the Gestapo was.

"She said that when the Gestapo first started, nobody thought much about it, but within a few years, everytime you heard the name, Gestapo, you'd really get a chill. That's the way it is now with the IRS. I'm

(over, please...)

Not Prepared or Mailed at Government Expense

not sure the lady wasn't absolutely right. I think people are afraid."

The IRS even intimidates its Congressional creators to go virtually unchallenged in its illegal exercise of awesome powers against the American public.

The story of the IRS is a history of a tax collection agency gone wrong--drunk with power, ruthlessly smashing dissent among its own personnel and brazenly roughing up taxpayers at will.

If the IRS decides that you have underpaid your taxes, it can assess what it decides you owe and then, without court proceedings or order, it can and often does place liens and take all but $50 of your weekly wages.

Also without court order, it can seize your home and sell it, no matter how much or little you owe.

Also, upon the sole signature of the local IRS office supervisor, it seizes bank accounts, automobiles and anything else it can find, all without you--the victim--ever having a chance to make your case in a court of law.

As I said earlier, the IRS is prosecutor, judge and jury, and you have little or no recourse from its findings.

Frightening? Doesn't happen, not in America, you say?

My friend, it can and does happen, and it can happen to you or somebody you know.

You see, the IRS has deserted its role as servant of the people and nobody has taken the IRS to task--until now.

But, I'm taking on the IRS and we're going to win.

I have called for the U. S. Department of Justice to investigate IRS practices of intimidation and of compiling illegal "hit lists" and "spy files" on American taxpayers.

The people of this country are afraid. They are frightened by this runaway arm of government which has powers that no business or no government agency would dare claim or use.

- ONLY the IRS can invade the privacy of a citizen without court process of any kind.
- ONLY the IRS can seize property without a court order.
- ONLY the IRS can force a citizen to try his case in a special court governed by the IRS.
- ONLY the IRS can, with impunity, publish a citizen's debt.
- ONLY the IRS can wiretap your phone without a court order.
- ONLY the IRS is free to maintain lists of citizens guilty of no

(page three, please...)

crime for the purpose of harassing and monitoring them.

- ONLY the IRS is free to violate a written agreement with a citizen.
- ONLY the IRS uses reprisals against citizens and public officials.
- ONLY the IRS can take property on the basis of conjecture.
- ONLY the IRS publicly admits that its purpose is to instill fear into the citizenry as a technique of performing its function.

I could go on and on.

There are countless cases documenting these charges.

On the element of fear alone, two recent IRS Commissioners testified before Congress that fear is an essential element in the collection of income taxes.

This was demonstrated in Colorado recently. The IRS seized and sold the $80,000 home of a delinquent for $1600, not one cent of which went to reduce the alleged tax delinquency.

The seizure and sale were purely punitive--to teach the taxpayer and the rest of us a lesson. A Federal court condemned this seizure without notice, but it was too late to stop the IRS.

This is not unusual, I'm sorry to say.

A memo from an IRS official to one of its attorneys states the underlying reasoning. "The taxpayer is committed to spend time and money defending his position."

More such examples of IRS abuses are described in my book, How the IRS Seizes Your Dollars and How to Fight Back. Published by Simon and Schuster, my book was the subject of a recent CBS-TV "60 Minutes" program called "Pay Up or Else," where Morley Safer called me the "IRS's toughest congressional critic."

I now have facts to prove the IRS is so determined to smash the public, rather than deal with it through proper legal channels, that no corrective analysis can be complete without a review of the system's reckless practice of illegally revealing tax returns, to rig everything from GAO audits, to juries, to elections.

Violence and brutality are becoming an all too common practice of the IRS -- and dangerous to the public.

What can you do about it?

You can join with me and thousands of concerned citizens in the Association of Concerned Taxpayers (ACT) to STOP IRS abuses.

ACT is a fast-growing grass-roots Association of Concerned Taxpayers who want to stop IRS abuse of American citizens.

And IRS abuse can be stopped if you ACT today.

(over, please...)

Remember what a great philosopher once said, "All that is necessary for evil to triumph is for good men to do nothing."

To curb IRS abuses, I have introduced the Taxpayer Protection Act (H.R. 4931) which restricts the IRS to its basic function as a collection agency.

It's time we worked together so IRS will feel the wrath of taxpayers who have long been abused by power-mad and over-zealous bureaucrats.

You can do the following four things right away to help.

1) Demand hearings on IRS abuses.
2) Send the enclosed postcards to your Senators and your Congressman to support the Taxpayer Protection Act (TPA).
3) Send ACT your maximum contribution so ACT can hire investigators to get cases to shock Congress into ACTING, and so ACT can prepare cases and testimony on IRS abuses.
4) Write ACT for a copy of my book. Also ask ACT for new findings about continued IRS abuses since publication of my book.

The IRS itself admits that 97% of all personal income taxes are paid voluntarily. Why should IRS problems with 3% of the people open the door to police-state tactics?

It's time for Congress to demand that IRS get back to its job of collecting taxes, not scalps.

One way to insure that Congress makes that demand of IRS is for you to join ACT today.

Help get government off the backs of the people.

Send the enclosed postcards to your Senators and your Congressman.

Also send your maximum donation to ACT. I hope you give as much as $500, $250, $100, even $1,000 or $50, $25, or $20. The more you give, the more effective ACT can be in exposing these IRS abuses.

So please be generous.

One final thought and this is very important to our success. It's so vital that we get this message out across the country that it's likely you may get duplicate copies of my letter.

If you do, you can be most helpful to our cause if you pass along any extras to your friends. Thank you.

Sincerely,

George Hansen

George Hansen
Member of Congress

P.S. ACT will keep your name and address and the amount you contribute strictly confidential. After you've read my book and the additional information on IRS abuses, ACT would like to have your views and comments.

Dear Senator:

Please support Congressman George Hansen's bill, HR 4931, the Taxpayer Protection Act (TPA). This legislation would reduce the Internal Revenue Service to its basic legal function as a tax collection service -- taking away its awesome and frightening powers. As a concerned citizen, I strongly support the efforts of groups like the Association of Concerned Taxpayers (ACT) that are urging responsible Americans to stand up to the IRS and demand a stop to its police-state tactics. Please let me know what you intend to do about this much-needed legislation.

____
(signature)

Dear Senator:

Please support Congressman George Hansen's bill, HR 4931, the Taxpayer Protection Act (TPA). This legislation would reduce the Internal Revenue Service to its basic legal function as a tax collection service -- taking away its awesome and frightening powers. As a concerned citizen, I strongly support the efforts of groups like the Association of Concerned Taxpayers (ACT) that are urging responsible Americans to stand up to the IRS and demand a stop to its police-state tactics. Please let me know what you intend to do about this much-needed legislation.

____
(signature)

Dear Congressman:

Please support Congressman George Hansen's bill, HR 4931, the Taxpayer Protection Act (TPA). This legislation would reduce the Internal Revenue Service to its basic legal function as a tax collection service -- taking away its awesome and frightening powers. As a concerned citizen, I strongly support the efforts of groups like the Association of Concerned Taxpayers (ACT) that are urging responsible Americans to stand up to the IRS and demand a stop to its police-state tactics. Please let me know what you intend to do about this much-needed legislation.

____
(signature)

A.C.T. TO STOP I.R.S. ABUSES

Association of Concerned Taxpayers
418 C St., NE • Capitol Hill • Carriage House • Washington, D.C. 20002

Dear Congressman Hansen:

Yes, it's frightening to think of what IRS has been doing. I'm glad there's someone willing to take on the IRS and its abuses. I want to help ACT investigate and challenge IRS. Please keep my name and address and the amount I'm donating in strict confidence.

Check here ☐ Send me updated information on IRS abuses.

Check here ☐ I'm also sending the postcards to my Senators and my Congressman, asking them to support your Taxpayer Protection Act (TPA) H.R. 4931.

Check here ☐ ACT will send a copy of your book to me if my donation is $20 or more.

(Please Circle One Amount)

$1,000 $500 $250 $200 $100

$75 $50 $25 $20 $_____ Other Amount

NAME____

STREET____

CITY______________STATE__________ZIP_____________

A project of National Business and Economic Freedom Council, Inc

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 13624 WASH., D.C.

POSTAGE WILL BE PAID BY ADDRESSEE

Association of Concerned Taxpayers
Capitol Hill • Carriage House
418 C St., NE
Washington, D.C. 20002

Congressman George Hansen
Association of Concerned Taxpayers
418 C St., NE • Carriage House
Washington, D.C. 20002

DEFENDANT'S EXHIBIT
81 EVID.

NONPROFIT OR.
WASHINGTON D.C.
U.S. POSTAGE
05 9

ONLY the IRS can wiretap your phone without a court order.
ONLY the IRS can invade the privacy of a citizen without court process

ONLY the IRS is free to violat
a written agreement with a
citizen.
ONLY the IRS is free to mainta
lists of citizens guilty of nc
crime for the purpose of....

(continued inside....learn how to protect yourself.

A project of National Business and Economic Freedom Council Inc.

The Tax Man. He doesn't wear a uniform, but he has more authority than a policeman. He would never be addressed as "Your Honor," but he can exercise more control over your life than a judge. He can empty your bank account, tow away your car, seize your home and some of the things in it, sell them and keep the money. Under his system, you are presumed guilty until you can prove your innocence. All these things can happen to you without due process of law guaranteed even to common criminals under the U. S. Constitution....Those chilling words were in a recent PARADE magazine article about IRS abuses.

SCHEDULE D
(Form 1040)
Department of the Treasury
Internal Revenue Service

Capital Gain~ ~nd Losses

(Examples of property -- be reported on this Schedule are gains an… …sses on stocks, bonds, and similar investm… and gains (but not losses) on personal assets such as a home or jewelry.)

▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040.)

1979
12

Name(s) as shown on Form 1040: GEORGE V. & CONNIE S. HANSEN

Your social security number: 519 28 4146

Caution: Columns f and g are not the same as last year. Most other lines have also been changed.

DEFENDA
EXHIE
86

EVID.

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

D

a. Kind of property and description (Example, 100 shares 7% preferred of "Z" Co.)	b. Date acquired (Mo., day, yr.)	c. Date sold (Mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis, as adjusted (see instructions page 20)	f. LOSS If column (e) is more than (d) subtract (d) from (e)	g. GAIN If column (d) is more than (e) subtract (e) from (d)
1 COMMODITY CONTRACTS			212,475	175,000		87,475

2 Enter your share of net short-term gain or (loss) from transactions entered into by partnerships and fiduciaries after 10/31/78	2			
3 Add lines 1 and 2 in column f and column g	3			87,475
4 Combine line 3, column f and line 3, column g and enter the net gain or (loss)			4	87,475
5 Short-term capital loss carryover from years beginning after 1969 (1)			5	(28,855)
Note: *If there is an entry on this line and line 7 or 19, see instructions for lines 7 and 19.*				
6 Net gain or (loss), combine lines 4 and 5			6	58,620
7 Enter your share of net short-term gain or (loss) from transactions entered into by partnerships and fiduciaries before 11/1/78			7	
8 Net short-term gain or (loss), combine lines 6 and 7			8	58,620

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

9 SALE OF RESIDENCE - SEE FORM 2119

(1) SHORT-TERM CAPITAL LOSS CARRYOVER:

1977	LOSS		33,855			
USED	1977		<2000>			
USED	1978		<3,000>			
AVAILABLE	1979		28,855			

10 Enter your share of net long-term gain or (loss) from transactions entered into by partnerships and fiduciaries after 10/31/78	10			
11 Add lines 9 and 10 in column f and column g	11			
12 Combine line 11, column f and line 11, column g and enter the net gain or (loss)			12	
13 Capital gain distributions from transactions entered into after 10/31/78			13	
14 Enter gain, if applicable, from Form 4797, line 6(a)(1) from transactions entered into after 10/31/78			14	
15 Enter your share of net long-term gain from transactions entered into by small business corporations (Subchapter S) after 10/31/78			15	
16 Combine lines 12 through 15			16	
17 Long-term capital loss carryover from years beginning after 1969			17	( )
Note: *If there is an entry on this line and line 7 or 19, see instructions for lines 7 and 19.*				
18 Net gain or (loss), combine lines 16 and 17			18	
19 Enter your share of capital gain distributions and net long-term gain or (loss) from transactions entered into by partnerships, fiduciaries, small business corporations, real estate investment trusts, and regulated investment companies before 11/1/78			19	
20 Net long-term gain or (loss), combine lines 18 and 19			20	

Note: *If you have capital loss carryovers from years beginning before 1970, do not complete Parts III or V. See Form 4798 instead.*

DEFENDANT'S
EXHIBIT
87

CHECKS OF GEORGE V. HANSEN ON BEHALF OF ASSOCIATION OF CONCERNED TAXPAYERS PRIOR TO MARCH 31, 1982

Defense Exhibit	Date of Check	Payee	Amount
51	11/09/81	Martin Advertising	$4,500.00
52	11/23/81	Martin Advertising	8,000.00
53	11/24/81	Martin Advertising	7,500.00
54	12/04/81	Postmaster	200.00
55	12/09/81	Martin Advertising	5,000.00
56	12/14/81	Metro Printing	5,000.00
57	12/17/81	Martin Advertising	1,750.00
58	02/12/82	Martin Advertising	7,500.00
59	03/04/82	Postmaster	48.35
60	03/15/82	Metro Printing	10,000.00
61	03/16/82	Metro Printing	10,000.00
62	03/18/82	Metro Printing	15,000.00
63	03/19/82	Metro Printing	15,000.00
64	03/22/82	Metro Printing	10,000.00
65	03/24/82	American Mailing List	9,600.00
66	03/24/82	American Mailing List	9,700.00
67	03/24/82	American Mailing List	6,200.00
68	03/24/82	American Mailing List	9,500.00
		TOTAL	$134,498.35

FD-302 (REV. 3-8-77)

DEFENDANT'S EXHIBIT
28 EVID.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/29/81

GEORGE VERNON HANSEN, United States Congressman (Second District-Idaho), 1125 Longworth Building, Washington, D. C. (WDC), was interviewed at his business office. Also present was JAMES MC KENNA, HANSEN's attorney. HANSEN provided the following information:

HANSEN advised that NELSON BUNKER HUNT had absolutely no influence, financial or otherwise, or any connection with the $125,000 loan he obtained from the First Security Bank, Pocatello, Idaho, in January, 1979, to pay a margin call on his wife's silver investments.

Special Agent (SA) HOY asked HANSEN why he negatively answered Section I (B), Section III, and Section V of his Financial Disclosure Statement for 1979 when he knew that his wife had purchased one hundred twenty-five silver futures contracts in January, 1979, which were subsequently liquidated for a net profit of $87,475. HANSEN advised he had discussed this matter at length with his attorneys JAMES MC KENNA and JOHN RUNFT. A consensus was reached among them that because of the Division of Property which he and his wife had obtained in the State of Idaho at least one year prior to his wife's silver contract purchases, any transactions solely entered into by his wife are not subject to disclosure in the Financial Disclosure Statements.

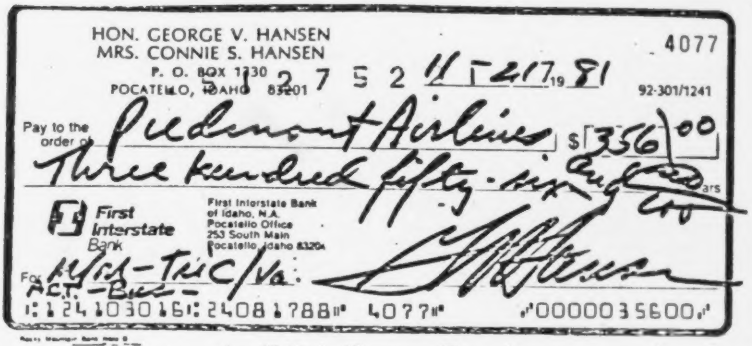
SA HOY asked HANSEN why he answered Section IV of his Financial Disclosure Statement for 1979 showing a Category C ($15,001-$50,000) for the First Security Bank when he has already admitted obtaining a $125,000 loan from that bank in January, 1979, to pay his wife's margin call. HANSEN advised he did not disclose the $125,000 loan for two reasons. Firstly, the loan was obtained on his wife's behalf. Secondly, the loan was actually more an overdraft than an actual loan. There was no written loan agreement and the transaction was consumated so rapidly that it was really usage of a line of credit more than an actual loan.

Investigation on 9/24/81 at Washington, D. C. File # WFO 58-1879

by SAS THOMAS S. HOY and ROBERT J. KIRWAN, JR. TSH:kio Date dictated 9/28/81

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

DEFENDANT'S
EXHIBIT
89



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1730
POCATELLO, IDAHO 83201

4077

5 1 2 7 5 2 11-27 19 81

92-301/1241

Pay to the order of Piedmont Airlines $ 356 00

Three hundred fifty-six and 00/100 Dollars

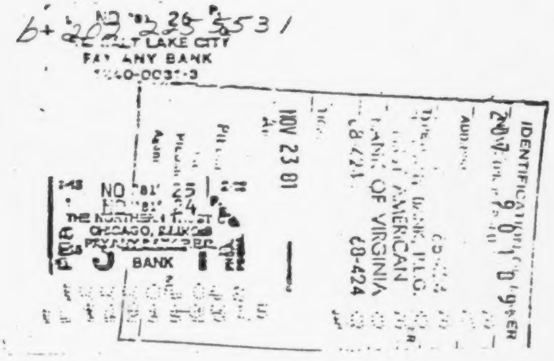
First Interstate Bank

First Interstate Bank
of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

For ACT. -Bus -

G V Hansen

⑆124103016⑆2408178⑈ 4077⑈ ⑈0000035600⑈



6+ 202 225 5531

NO 26 '81
SALT LAKE CITY
PAY ANY BANK
[illegible]40-0031-3

NO 25 '81
NO 24 '81
THE NORTHERN TRUST CO
CHICAGO, ILLINOIS
PAY ANY BANK P.E.G.
BANK

IDENTIFICATION NUMBER
FIRST AMERICAN BANK, N.A.
BANK OF VIRGINIA
68-424

NOV 23 81

#4077

HAND DELIVERED

UNITED STATES HOUSE OF REPRESENTATIVES

Office of the Clerk
Washington, D.C.

ETHICS IN GOVERNMENT ACT OF 1978 (2 U.S.C. §§ 701-709)

FINANCIAL DISCLOSURE STATEMENT

GEORGE V. HANSEN
(Full Name)

1125 LONGWORTH
HOUSE OFFICE BUILDING
(Mailing Address)

WASHINGTON, D.C. 20515

ID # MC
(OFFICE USE ONLY)

☐ Check if this is an amended Statement.

INDIVIDUAL REPORTING STATUS

(Check one only)

☒ MEMBER OF U.S. HOUSE OF REPRESENTATIVES—DISTRICT 2 STATE IDAHO

☐ CURRENT OFFICER/EMPLOYEE/PRINCIPAL ASSISTANT—EMPLOYING OFFICE

☐ NEW OFFICER/EMPLOYEE/PRINCIPAL ASSISTANT—EMPLOYING OFFICE

NOTE: Requirements for new officers/employees/principal assistants differ substantially from those of Members of Congress and current officers employees/principal assistants. Please read Instructions on reverse side carefully.

May [illegible]
(Date)

George Hansen
(Signature)

NOTE: Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. See 2 U.S.C. § 706 and 18 U.S.C. § 1001.

RETURN COMPLETED COVER PAGE AND STATEMENT
(WITH 2 COPIES OF EACH) TO:

The Clerk, U.S. House of Representatives
Office of Records and Registration
[illegible] Longworth House Office Building
Washington, D.C. [illegible]

ETHICS IN GOVERNMENT ACT OF 1978—FINANCIAL DISCLOSURE STATEMENT

[illegible] Pg. 2 of 3

NOTE: See reverse side for Detailed Filing Instructions and Exemptions. If additional space is required, use continuation sheets provided [illegible]

SECTION I

A. **INCOME** (including honoraria) from any source received during preceding calendar year aggregating $100 or more in value. Exclude income from current U.S. Government employment.

SOURCE	TYPE (salary, pension, honorarium, etc.)	AMOUNT VALUE
New York Life Ins. Co.	Deferred commissions	$ 965.62

B. **INCOME** from dividends, interest, rent, capital gains including trusts or other financial arrangements, received during the preceding calendar year exceeding $100 in value. NOTE: For Section I.B. indicate Category of Value: Category I—$100.01-$1,000; II—$1,000.01-$2,500; III—$2,500.01-$5,000; IV—$5,000.01-$15,000; V—$15,000.01-$50,000; VI—$50,000.01-$100,000; VII—Over $100,000.

SOURCE	TYPE	CATEGORY OF VALUE (I, II, III, IV, V, VI, VII)
Family Estate	legacy	II
U. S. Government	Interest	I

SECTION II

A. **GIFTS** of transportation, lodging, food or entertainment aggregating $250 or more in value received from any source during the preceding calendar year.

IDENTITY OF SOURCE	BRIEF DESCRIPTION
Council for InterAmerican Security	transportation and related expenses for two-day fact-finding trip to Panama — Sept. 22.

B. **GIFTS** other than transportation, lodging, food or entertainment aggregating $100 or more in value received from any source during preceding calendar year.

SOURCE	BRIEF DESCRIPTION	VALUE
None		

C. **REIMBURSEMENTS** received from any source aggregating $250 or more in value in preceding calendar year.

IDENTITY OF SOURCE	BRIEF DESCRIPTION
None	

NOTE: For Sections III-V below, indicate Category of Value: Category I—$1,000.01-$5,000; II—$5,000.01-$15,000; III—$15,000.01-$50,000; IV—$50,000.01-$100,000; V—$100,000.01-$250,000; VI—Over $250,000.

IMPORTANT—For new Officers and Employees Only: In Sections III, IV, VI, and VII, the Reporting Individual Should List the Information Required as of Date Not More Than 31 Days Prior to the Date of Filing. The Information Listed Below is Current as of ____________ (Date)

SECTION III

INTEREST IN PROPERTY HELD during preceding year in a trade or business, or for investment or production of income including trusts or other financial arrangements with a fair market value exceeding $1,000 at the close of the preceding calendar year.

IDENTITY	CATEGORY OF VALUE (I, II, III, IV, V, VI)
None	

SECTION IV

LIABILITIES (total) owed to any creditor which exceeds $10,000 at any time in the preceding calendar year and any revolving charge account with an outstanding liability over $10,000 at the close of the calendar year.

IDENTITY	CATEGORY OF VALUE (I, II, III, IV, V, VI)
See continuation sheet	

SECTION V

PURCHASE, SALE OR EXCHANGE during the preceding calendar year which exceeds $1,000 in real property, stocks, [illegible] other forms of securities.

[illegible]	DATE	CATEGORY OF VALUE (I, II, III, IV, V, VI)

SECTION VI

[illegible] during the preceding calendar year as an officer, director, trustee, partner, [illegible] other than the United States [illegible]

SECTION VII

[illegible]

Page 3 of 3

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT

GEORGE V. HANSEN
(Name)

CONTINUATION SHEET

Section	Indicate: Date/Source/Identity/Brief Description/Type/Parties To/Terms (As Applicable)	Indicate: Amount/Category of Value/Value (As Applicable)
IV	Bank of Idaho	II
	First Bank and Trust	II
	National Bank of Washington	II
	First Security Bank	III
	Idaho State Bank	III
	Idaho First National Bank	IV

[illegible]

UNITED STATES HOUSE OF REPRESENTATIVES

[illegible] of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1979

[illegible]

GEORGE HANSEN

1125 Longworth House Office Building

Washington, D.C. 20515

MAY 15 PM 4: 34

(Office Use Only)

MC

[illegible] Check if amended Statement

x Member of [illegible] House of Representatives [illegible] 2nd State Idaho

[illegible] Employee [illegible]

Note: Please read instructions carefully [illegible] this form on the reverse side. Attach additional [illegible] identify [illegible] showing your name and the section being continued. Complete all parts. (If None, indicate.) [illegible] type or print clearly.

I. INCOME

A. The source, type, and amount of [illegible] honoraria and date received [illegible] aggregating $100 or more in value received [illegible] the preceding calendar year. Exclude income from current U.S. Government employment.

SOURCE	TYPE	AMOUNT
International Association of Wall & Ceiling Contractors	Honoraria	1000.00
A.F.S. Regional Conference	Honoraria	700.00
Liberty Lobby Tax Forum	Honoraria	500.00

B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during the preceding calendar year which exceeds $100 in value. *Note:* For this part only, indicate Category of Value, as follows: Category A—not more than $1,000; B—$1,001-$2,500; C—$2,501-$5,000; D—$5,001-$15,000; E—$15,001-$50,000; F—$50,001-$100,000; G—over $100,000.

SOURCE	TYPE	CATEGORY
NONE		

II. GIFTS AND REIMBURSEMENTS

[illegible] food, lodging, entertainment aggregating $[illegible] [illegible]

	BRIEF DESCRIPTION
National Conservative Research and Education Foundation	Travel and Associated Expenses for "Friendship Delegation" trip to Taiwan

[illegible] gifts aggregating $100 or more in value received from any source [illegible]

[illegible]

	BRIEF DESCRIPTION
[illegible]	Travel to Los Angeles, Calif. for Forum.
[illegible]	National Press Club Luncheon

[illegible]

III. HOLDINGS

[illegible]

CATEGORY

NONE

IV. LIABILITIES

The identity and category of value of the total liabilities owed to any creditor which exceeds $10,000 at any time during the preceding calendar year.

IDENTITY		CATEGORY
SEE ATTACHED LIST		

V. TRANSACTIONS

A brief description, the date, and category of value of any purchase, sale, or exchange during the preceding calendar year which exceeds $1,000 in real property, or in stocks, bonds, commodities futures, or other forms of securities.

BRIEF DESCRIPTION	DATE	CATEGORY
NONE		

VI. POSITIONS

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution.

POSITION	NAME OF ORGANIZATION
NONE	

VII. AGREEMENTS

[illegible] arrangement with respect to: future employment; leave [illegible] employer other than the U.S. Government [illegible] by a former employer.

		TERMS OF AGREEMENT
NONE		

VIII. ADDITIONAL INFORMATION

[illegible]

YES ___ NO X

[illegible]

YES ___ NO X

[illegible]

George J. Green   May 15, 1980

PART IV

IDENTITY	CATEGORY
National Bank of Washington	B
Bank of Idaho	B
First Security Bank	C
Idaho State Bank	C
Idaho Bank and Trust	C
Idaho First National	D

3 1 1 . 0 0 5 : : 3

UNITED STATES HOUSE OF REPRESENTATIVES

HAND DELIVERED Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 19[illegible]

'81 MAY 15 PM 2:37
OFFICE OF THE CLERK
HOUSE OF REPRESENTATIVES

FORM A—For use by Members, officers, and employees

GEORGE HANSEN
(Full Name)

1125 Longworth House Office Building
(Mailing Address)

Washington, D.C. 20515

Mc

(Office Use Only)

Check the appropriate box and fill in the blanks.

☐ Check if amended Statement.

☒ Member of the U.S. House of Representatives—District 2nd State Idaho

☐ Officer or Employee—Employing Office ______

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Please type or print clearly.

I. INCOME

A. The source, type, and amount of income (including honoraria and date received) aggregating $100 or more in value received from any source during the preceding calendar year. Exclude income from current U.S. Government employment. *Do not include here income reported in part I-B below.*

SOURCE	TYPE	AMOUNT
NONE		

B. The source, type, and category of value of income from *dividends, interest, rent,* and *capital gains* received from any source during the preceding calendar year which exceeds $100 in value. *Note:* For this part only, indicate Category of Value, as follows: Category A—not more than $1,000; B—$1,001–$2,500; C—$2,501–$5,000; D—$5,001–$15,000; E—$15,001–$50,000; F—$50,001–$100,000; G—over $100,000.

SOURCE	TYPE	CATEGORY
NONE		

II. GIFTS AND REIMBURSEMENTS

A. The source and a brief description of *gifts of transportation, lodging, food,* or *entertainment* aggregating $250 or more in value received from any source during the preceding calendar year.

SOURCE	BRIEF DESCRIPTION
AMERICAN SOCIETY OF SAFETY ENGINEERS	TRAVEL-CONVENTION

B. The source, a brief description, and value of *all other gifts* aggregating $100 or more in value received from any source during the preceding calendar year.

SOURCE	BRIEF DESCRIPTION	VALUE
[illegible]		

C. The source and a brief description of *reimbursements* aggregating $250 or more in value received from any source during the preceding calendar year.

SOURCE	BRIEF DESCRIPTION
[illegible]	

NOTE: For Parts III, IV, and V below, indicate Category of Value, as follows: Category A—not more than $5,000; B—$5,001-$15,000; C—$15,001-$50,000; D—$50,001-$100,000; E—$100,001-$250,000; F—over $250,000.

III. HOLDINGS

The identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which had a fair market value exceeding $1,000 as of the end of the year.

IDENTITY	CATEGORY
NONE	

IV. LIABILITIES

The identity and category of value of the total liabilities owed to any creditor which exceeded $10,000 at any time during the preceding calendar year.

IDENTITY — CATEGORY

NATIONAL BANK OF WASHINGTON - B

IDAHO FIRST NATIONAL BANK - D

FIRST SECURITY BANK OF IDAHO - C

FIRST BANK AND TRUST OF ID. - C

IDAHO STATE BANK - C

IDAHO BANK AND TRUST - C

V. TRANSACTIONS

A brief description, the date, and category of value of any purchase, sale, or exchange during the preceding calendar year which exceeded $1,000 in real property, or in stocks, bonds, commodities futures, or other forms of securities.

BRIEF DESCRIPTION	DATE	CATEGORY
NONE		

VI. POSITIONS

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution.

POSITION	NAME OF ORGANIZATION
NONE	

VII. AGREEMENTS

A description of the date, parties to, and terms of any agreement or arrangement with respect to: future employment; leave of absence during period of government service; continuation of payments by a former employer other than the U.S. Government; and continuing participation in an employee welfare or benefit plan maintained by a former employer.

DATE	PARTIES TO	TERMS OF AGREEMENT
NONE		

VIII. ADDITIONAL INFORMATION

A. [illegible] interests in property or liabilities of a spouse or dependent child or property transactions by a [illegible] you have not reported because they meet the three standards for exemption? [illegible] YES ____ NO X

B. [illegible] spouse or dependent child receive income from or have a beneficial interest in a trust or other financial arrangement [illegible] not reported because the trust is a "qualified blind trust" or other excepted trust? [illegible] YES ____ NO X

[illegible] who knowingly and willfully falsifies or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions [illegible]

Geo Hansen

Date: MAY [illegible]

8 2 0 0 . 6 7 0

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

[illegible]

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1981

FORM A—For use by Members, officers, and employees

GEORGE HANSEN
(Full Name)

1125 Longworth House Office Building
(Mailing Address)

Washington, D.C. 20515

MC

(Office Use Only)

1982 MAY 17 PM 4:04
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

Check the appropriate box and fill in the blanks.

☐ Check if amended Statement.

☒ Member of the U.S. House of Representatives—District 2nd State Idaho

☐ Officer or Employee—Employing Office

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Please type or print clearly.

I. INCOME

A. The source, type, and amount of income (including honoraria and date received) aggregating $100 or more in value received from any source during calendar year 1981. Exclude income from current U.S. Government employment. *Do not include here income reported in part I–B below.*

SOURCE	TYPE	AMOUNT
Patriots in Congress	Hororarium	$500

B. The source, type, and category of value of income from *dividends, interest, rent, and capital gains* received from any source during calendar year 1981 which exceeds $100 in value. *Note:* For this part only, indicate Category of Value, as follows: Category A—not more than $1,000; B—$1,001–$2,500; C—$2,501–$5,000; D—$5,001–$15,000; E—$15,001–$50,000; F—$50,001–$100,000; G—over $100,000.

SOURCE	TYPE	CATEGORY
U.S. Government	Interest	A

II. GIFTS AND REIMBURSEMENTS

A. The source and a brief description of *gifts of transportation, lodging, food, or entertainment* aggregating $250 or more in value received from any source during calendar year 1981.

SOURCE	BRIEF DESCRIPTION
None	

B. The source, a brief description, and value of *all other gifts* aggregating $100 or more in value received from any source during calendar year 1981.

SOURCE	BRIEF DESCRIPTION	VALUE
None		

C. The source and a brief description of reimbursements aggregating $250 or more in value received from any source during calendar year 1981.

SOURCE	BRIEF DESCRIPTION

820 011-571

NOTE: For Parts III, IV, and V below, indicate Category of Value, as follows: Category A—not more than $5,000; B—$5,001-$15,000; C—$15,001-$50,000; D—$50,001-$100,000; E—$100,001-$250,000; F—over $250,000.

III. HOLDINGS

The identity and category of value of any interest in property held during calendar year 1981 in a trade or business, or for investment or the production of income, which had a fair market value exceeding $1,000 as of the end of the year.

IDENTITY	CATEGORY
None	

IV. LIABILITIES

The identity and category of value of the total liabilities owed to any creditor which exceeded $10,000 at any time during calendar year 1981.

IDENTITY — CATEGORY

NATIONAL BANK OF WASHINGTON - B　IDAHO FIRST NATIONAL BANK - D
FIRST SECURITY BANK OF IDAHO - C　FIRST BANK AND TRUST OF ID. - C
IDAHO STATE BANK - C　RIGGS NATIONAL BANK - B
IDAHO BANK AND TRUST - C　TRI STATE BANK - C

V. TRANSACTIONS

A brief description, the date, and category of value of any purchase, sale, or exchange during calendar year 1981 which exceeded $1,000 in real property, or in stocks, bonds, commodities futures, or other forms of securities.

BRIEF DESCRIPTION	DATE	CATEGORY
NONE		

VI. POSITIONS

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution.

POSITION	NAME OF ORGANIZATION
CHAIRMAN	ASSOCIATION OF CONCERNED TAXPAYERS

VII. AGREEMENTS

A description of the date, parties to, and terms of any agreement or arrangement with respect to: future employment; leave of absence during period of government service; continuation of payments by a former employer other than the U.S. Government; and continuing participation in an employee welfare or benefit plan maintained by a former employer.

DATE	PARTIES TO	TERMS OF AGREEMENT
None		

VIII. ADDITIONAL INFORMATION

A. Are you aware of any interests in property or liabilities of a spouse or dependent child or property transactions by a spouse or dependent child which you have not reported because they meet the three standards for exemption? (See Instructions)
YES ____ NO X

B. Do you, your spouse or dependent child receive income from or have a beneficial interest in a trust or other financial arrangement whose holdings were not reported because the trust is a "qualified blind trust" or other excepted trust? (See Instructions)
YES ____ NO X

NOTE: Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (2 U.S.C. §702 and 18 U.S.C. §1001).

Hansen

Date

SOYBEAN CONTRACT PURCHASES AND RESULTING LOANS

DATE	EVENT
	1977
Apr. 20	Nichols orders purchase of 50 soybean contracts; Value: $ 2,489,700
	Contracts placed in account opened for Mrs. Hansen.
	Contracts sold for net profit of $ 51,775
Apr. 22	Nichols orders purchase of 20 soybean contracts for account of Mrs. Hansen; Value: $ 1,046,000
	Contracts sold for net loss of $ 410
Apr. 25	Nichols orders purchase of 40 soybean contracts for account of Mrs. Hansen; Value: $ 2,050,000
Apr. 29	Nichols orders sale of 40 soybean contracts.
	Contracts sold for net loss of $ 85,220
	Total loss on soybean contracts as of this date: $ 33,855
May 27	Mrs. Hansen travels to Dallas and borrows $ 50,000 from First National Bank in one year note.
	Loan is guaranteed by Nelson Bunker Hunt.
May 28	$ 50,000 loan check deposited into account in name of George & Connie Hansen at Arlington Trust.
	Mrs. Hansen issues check from account of George and Connie Hansen at Arlington Trust to pay for soybean loss.
Nov.-Dec.	George Hansen calls Henry in response to request for payment of overdue interest.
	1979
Jan. 10	$ 50,000 loan to Mrs. Hansen from FNB, Dallas, is renewed and back-dated to May 26, 1978.
	Renewed loan is guaranteed by Nelson Bunker Hunt.
	1980
June 3	Nelson Bunker Hunt fulfills guarantee and pays off loan for $61,503.42 ($50,000 plus $11,503.42 in interest.)

SILVER CONTRACT PURCHASES

DATE	EVENT
	1979
Jan. 16	Ming orders purchase of 125 silver contracts; Value; $ 3,877,777
	Contracts placed in account opened for Mrs. Hansen.
Jan. 18	Ming orders sale of 125 silver contracts.
	Contracts sold for a net profit of $ 87,475
	George Hansen directs Caldwell to write $ 125,000 check on "Connie Hansen and C. Lee Caldwell Special Account" at Idaho Bank and Trust.
	George Hansen directs Caldwell to wire $ 125,000 to Cargill as margin payment for 125 silver contracts.
Jan. 19	Cargill wires $ 212,475 ($ 125,000 margin payment plus $ 87,475 profit) to George and Connie Hansen's account at First Security Bank.
Jan. 22	$ 125,000 withdrawn from George and Connie Hansen First Security Bank account and deposited into "Special Account" Idaho Bank and Trust.

LOANS TO GEORGE HANSEN

DATE	EVENT
	1981
July 17	George Hansen signs note to McAfee and Rogers for $ 25,000 loan.
July 23	George Hansen deposits $ 25,000 check from McAfee into George Hansen Reach Account at Riggs Bank.
	Hansen, McAfee and Meade meet with The Secretary of The Army at The Pentagon.
Aug. 14	George Hansen signs note to McAfee and Rogers for $ 60,000 loan.
Aug. 19	George Hansen deposits $ 60,000 check from McAfee into George Hansen Reach Account at Riggs Bank.
Nov. 21	George Hansen receives $ 50,000 loan from Meade.
Nov. 23	George Hansen deposits $ 50,000 loan from Meade into George Hansen Reach Account.
	1982
Apr. 14	George Hansen pays $ 8,476.71 in partial interest on $ 25,000 and 60,000 loans.

MITCHELL, HUTCHINS INC.
2 FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603
TEL. (312) 732-2800

DATE
APR 20, 1977

NOTE PLEASE REPORT
ANY DIFFERENCES IMMEDIATELY

ACCOUNT NUMBER
1[illegible] 1343[illegible]

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

CAROL HANSON

DATE	GRAINS IN 000's BOUGHT	GRAINS IN 000's SOLD	COMMODITY/OPTION DESCRIPTION		EX	TRADE PRICE	AMOUNT DEBIT	AMOUNT CREDIT
	ACCOUNT BALANCE -- SEGREGATED FUNDS							.00
==*=*=*= C O N F I R M A T I O N =*=*=*=*=*= C O N F I R M A T I O N *=*=*=*=*=								
WE HAVE MADE THIS DAY THE FOLLOWING TRADES FOR YOUR ACCOUNT AND RISK.								
	30		JUL BEANS		A	9.95		
	220		JUL BEANS		A	9.96		
		250	JUL BEANS		A	10.17		
	250*	250*						
==*=*= P U R C H A S E & S A L E =*=*=*= P U R C H A S E & S A L E *=*=*=*=								
4-20-77	30		JUL BEANS		A	9.95		
4-20-77	220		JUL BEANS		A	9.96		
4-20-77		250	JUL BEANS		A	10.17		
	250*	250*	COMM. (1,025.00)			P & S		52800.00
			FEES OR COMMISSIONS				1025.00	
			NET PROFIT OR LOSS FROM TRADES					51775.00
CURRENT ACCOUNT BALANCE -- SEGREGATED FUNDS								51775.00

DATA PROCESSING BY COMPUTER INFORMATION SERVICE, INC.

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE.

COPY 3

RETAIN FOR TAX R

E & O E

NOTICE-It is understood and agreed that all futures transactions made by us for your account are either hedges or contemplate actual delivery and receipt of the property and payment therefor; and that all property sold for your account is sold upon the representation that you have the same in your possession actually or potentially. These transactions are made in accordance with and subject to the rules, regulations and customs of the exchange where made and also in accordance with and subject to Federal and State laws. It is understood and agreed that we reserve the right to close out transactions without notice when the margins on deposit with us (1) are exhausted, or (2) are inadequate in our judgment to protect us against price fluctuations, or (2) are below the minimum margin requirements under the rules and regulations of the exchange relating thereto.

N. B.-Any apparent error should be immediately reported by telegraph or telephone.

E & O E.

Exchanges (EX)	A - Chicago Board of Trade B - New York Cocoa Exchange C - New York Coffee and Sugar Exchange D - New York Cotton Exchange E - International Monetary Market F - New York Produce Exchange G - Commodity Exchange Inc., New York H - Chicago Mercantile Exchange I - Minneapolis Grain Exchange J - Kansas City Board of Trade K - Winnepeg Grain Exchange L - New York Mercantile Exchange M - Sidney Wool Exchange N - Mid-America Commodity Exchange O - London P thru T - Other Exchanges (Name Given on Request)
Put or Call Code (P/C)	P - Put C - Call D - Double

schedule is
same for
each page

GOVERNMENT
EXHIBIT
96 EVID.

MITCHELL, HUTCHINS INC.
2 FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603
TEL. (312) 732-2800

DATE
APR 22, 1977

NOTE PLEASE REPORT
ANY DIFFERENCES IMMEDIATELY

ACCOUNT NUMBER
13 13435

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

CONNIE S. HANSEN
4700 38TH PLACE NORTH
ARLINGTON, VA. 22207

DATE	GRAINS IN 000'S		COMMODITY/OPTION DESCRIPTION	P	* EX	TRADE PRICE	AMOUNT	
	BOUGHT	SOLD					DEBIT	CREDIT
4-20-77	ACCOUNT BALANCE — SEGREGATED FUNDS							51775.00
CONFIRMATION				CONFIRMATION				
WE HAVE MADE THIS DAY THE FOLLOWING TRADES FOR YOUR ACCOUNT AND RISK.								
		50	JUL BEANS		A	10.45		
	100		JUL BEANS		A	10.46		
		50	JUL BEANS		A	10.47		
	100*	100*						
PURCHASE & SALE				PURCHASE & SALE				
4-22-77		50	JUL BEANS		A	10.45		
4-22-77	100		JUL BEANS		A	10.46		
4-22-77		50	JUL BEANS		A	10.47		
	100*	100*	COMM. (410.00)			P & S		.00
			FEES OR COMMISSIONS				410.00	
			NET PROFIT OR LOSS FROM TRADES				410.00	
CURRENT ACCOUNT BALANCE — SEGREGATED FUNDS								51365.00

TA PROCESSING BY COMPUTER INFORMATION SERVICE INC

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE.

RETAIN FOR TAX RECOR

E 4 O E

MITCHELL. HUTCHINS INC.
2 FIRST NATIONAL PLAZA
CHICAGO. ILLINOIS 60603
TEL. (312) 732-2600

DATE
APR 25. 1977

NOTE PLEASE REPORT
ANY DIFFERENCES IMMEDIATELY

ACCOUNT NUMBER
13 13435

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

CONNIE S. HANSEN
4700 38TH PLACE NORTH
ARLINGTON. VA. 22207

DATE	GRAINS IN 000'S BOUGHT	GRAINS IN 000'S SOLD	COMMODITY/OPTION DESCRIPTION	*C	*EX	TRADE PRICE	AMOUNT DEBIT	AMOUNT CREDIT
4-22-77	ACCOUNT BALANCE — SEGREGATED FUNDS							51365.00
********** CONFIRMATION ********** CONFIRMATION **********								
WE HAVE MADE THIS DAY THE FOLLOWING TRADES FOR YOUR ACCOUNT AND RISK.								
	200 200*	*	JUL BEANS		A	10.25		
CURRENT ACCOUNT BALANCE — SEGREGATED FUNDS								51365.00

PROCESSING BY COMPUTER INFORMATIO ERVICE INC

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE.

COPY

RETAIN FOR TAX RECO

E & O.E

DATE
APR 29. 1977

MITCHELL. HUTCHINS INC.
2 FIRST NATIONAL PLAZA
CHICAGO. ILLINOIS 60603
TEL. (312) 732-2800

NOTE PLEASE REPORT
ANY DIFFERENCES IMMEDIATELY

ACCOUNT NUMBER
13 13435

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

CONNIE S. HANSEN
4700 38TH PLACE NORTH
ARLINGTON. VA. 22207

DATE	GRAINS IN 000'S BOUGHT	GRAINS IN 000'S SOLD	COMMODITY/OPTION DESCRIPTION	P/C	EX	TRADE PRICE	AMOUNT DEBIT	AMOUNT CREDIT
4-25-77	ACCOUNT BALANCE — SEGREGATED FUNDS							51365.00
=+=+=+=+=+= CONFIRMATION =+=+=+=+=+= CONFIRMATION =+=+=+=+=+=								
WE HAVE MADE THIS DAY THE FOLLOWING TRADES FOR YOUR ACCOUNT AND RISK.								
		200	JUL BEANS		A	9.83		
		* 200*						
=+=+=+=+= PURCHASE & SALE =+=+=+= PURCHASE & SALE =+=+=+=+=								
4-25-77	200		JUL BEANS		A	10.25		
4-29-77		200	JUL BEANS		A	9.63		
	200*	200*	COMM. (1.220.00)			P & S	84000.00	
						FEES OR COMMISSIONS	1220.00	
						NET PROFIT OR LOSS FROM TRADES	85220.00	
CURRENT ACCOUNT BALANCE — SEGREGATED FUNDS							33855.00	

A PROCESSING BY COMPUTER INFORMATION SERVICE INC

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE

RETAIN FOR TAX RECOR

MITCHELL. HUTCHINS INC.
2 FIRST NATIONAL PLAZA
CHICAGO. ILLINOIS 60603
TEL. (312) 732-2800

DATE
MAY 27. 1977

NOTE PLEASE REPORT
ANY DIFFERENCES IMMEDIATELY

ACCOUNT NUMBER
13 13435

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

CONNIE S. HANSEN
4700 38TH PLACE NORTH
ARLINGTON. VA. 22207

DATE	GRAINS IN 000'S BOUGHT	GRAINS IN 000'S SOLD	COMMODITY/OPTION DESCRIPTION	*	* EX	TRADE PRICE	AMOUNT DEBIT	AMOUNT CREDIT
4-29-77			ACCOUNT BALANCE — SEGREGATED FUNDS				33855.00	
			CASH RECEIVED					33855.00
			CURRENT ACCOUNT BALANCE — SEGREGATED FUNDS					.00

ESSING BY COMPUTER INFORMATION SERVICE INC

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE.

RETAIN FOR TAX RECO

Mitchell, Hutchins Inc.

NEW COMMODITY ACCOUNT FORM

INDIVIDUAL ACCOUNT

DATE	ACCOUNT NUMBER	RR NO.	CITIZEN OF	LEGAL AGE	SOCIAL SECURITY OR TAX I.D. NO.
4/20/77	13435	13	☑ USA Other	yes	498-34-1691

Name and Address
MRS Connie S. Hansen
4700 38Th Place North
ARlington VA. 22207

Home Phone Same Bus. Phone 202 225 5531

Occupation/Position Housewife

Employer —

Type of Business —

Is Client Married? ☑ Yes ☐ No

If Yes, Spouse's Name, Employer, Position, Type of Business

Estimate of Customer's Net Worth (Exclusive of Equity in Home & Insurance)

Estimate Customer's Annual Income

Approximate Total Equity in Security & Commodity Accounts

How Did You Determine Clients Estimated Financial Position?

Suggested Trading Limit (In Contracts)

Has Client Traded Commodity Futures Contracts Before? ☐ Yes ☐ No If Yes, How Long

If Yes, Please List Current Brokers Previous Brokers

Is Account Operated Under Discretionary Authority? ☐ Yes ☑ No

Name of Individual With Discretion ☐ Full ☐ Limited

If Yes, Discretionary Agreement Must be Received Before Initial Order is Entered

Relationship to Client and Business of Individual With Discretion

DOCUMENTS	Date Sent	Date Received
Customer Agreement/Loan Consent		
Authorization to Transfer Funds		
Repledging Agreement		
Corporate Resolution		
Co-Partnership Agreement		
Hedge Agreement		

Is Client a Member of Any Commodity Exchanges?
If so, List

Duplicate Statements

Other Instructions and Comments

Registered Commodity Representative Date

Approving Officer Date

COMPLIANCE COPY

NEW COMMODITY ACCOUNT FORM
INDIVIDUAL ACCOUNT

DATE	ACCOUNT NUMBER	RR NO.	CITIZEN OF	LEGAL AGE	SOCIAL SECURITY OR TAX I.D. NO.
[illegible] 77	[illegible]-35	13	☑ USA Other	[illegible]	[illegible]

Name and Address
[illegible] S. [illegible]
[illegible] ST.
[illegible] VA. [illegible]7
Home Phone — Bus. Phone [illegible]

Occupation/Position [illegible]
Employer —
Type of Business —
Is Client Married? ☑ Yes ☐ No
If Yes, Spouse's Name, Employer, Position, Type of Business

Estimate of Customer's Net Worth (Exclusive of Equity in Home & Insurance)
Estimate Customer's Annual Income
Approximate Total Equity in Security & Commodity Accounts
How Did You Determine Clients Estimated Financial Position?
Suggested Trading Limit (In Contracts)

Has Client Traded Commodity Futures Contracts Before? ☐ Yes ☐ No If Yes, How Long
If Yes, Please List Current Brokers Previous Brokers

Is Account Operated Under Discretionary Authority? ☐ Yes ☐ No
Name of Individual With Discretion ☐ Full ☐ Limited
If Yes, Discretionary Agreement Must be Received Before Initial Order is Entered
Relationship to Client and Business of Individual With Discretion

DOCUMENTS	Date Sent	Date Received
Customer Agreement/Loan Consent		
Authorization to Transfer Funds		
Repledging Agreement		
Corporate Resolution		
Co-Partnership Agreement		
Hedge Agreement		

Is Client a Member of Any Commodity Exchanges?
If so, List

Duplicate Statements

Other Instructions and Comments

Registered Commodity Representative Date Approving Officer Date

OPERATIONS CONTROL COPY

1980

NEW COMMODITY ACCOUNT FORM
INDIVIDUAL ACCOUNT

DATE	ACCOUNT NUMBER	RR NO.	CITIZEN OF	LEGAL AGE	SOCIAL SECURITY OR TAX I.D. NO.
[illegible]	[illegible]	13	☐ USA Other		[illegible]

Name and Address

[illegible]

[illegible]

[illegible] VA. [illegible]

Home Phone — Bus. Phone [illegible] 8821

Occupation/Position

Employer

Type of Business

Is Client Married? ☐ Yes ☐ No

If Yes, Spouse's Name, Employer, Position, Type of Business

Estimate of Customer's Net Worth (Exclusive of Equity in Home & Insurance)

Estimate Customer's Annual Income

Approximate Total Equity in Security & Commodity Accounts

How Did You Determine Clients Estimated Financial Position?

Suggested Trading Limit (In Contracts)

Has Client Traded Commodity Futures Contracts Before? ☐ Yes ☐ No If Yes, How Long

If Yes, Please List

Current Brokers	Previous Brokers

Is Account Operated Under Discretionary Authority? ☐ Yes ☒ No

Name of Individual With Discretion ☐ Full ☐ Limited

If Yes, Discretionary Agreement Must be Received Before Initial Order is Entered

Relationship to Client and Business of Individual With Discretion

DOCUMENTS	Date Sent	Date Received
Customer Agreement/Loan Consent		
Authorization to Transfer Funds		
Repledging Agreement		
Corporate Resolution		
Co-Partnership Agreement		
Hedge Agreement		

Is Client a Member of Any Commodity Exchanges? If so, List

Duplicate Statements

Other Instructions and Comments

Registered Commodity Representative — Date — Approving Officer — Date

COMMODITY OPERATIONS DEPT.

NEW COMMODITY ACCOUNT FORM
INDIVIDUAL ACCOUNT

DATE	ACCOUNT NUMBER	RR NO.	CITIZEN OF	LEGAL AGE	SOCIAL SECURITY OR TAX I.D. NO.
			☐ USA Other		

Name and Address

Home Phone Bus. Phone

Occupation/Position

Employer

Type of Business

Is Client Married? ☐ Yes ☐ No

If Yes, Spouse's Name, Employer, Position, Type of Business

Estimate of Customer's Net Worth (Exclusive of Equity in Home & Insurance)

Estimate Customer's Annual Income

Approximate Total Equity in Security & Commodity Accounts

How Did You Determine Clients Estimated Financial Position?

Suggested Trading Limit (In Contracts)

Has Client Traded Commodity Futures Contracts Before? ☐ Yes ☐ No If Yes, How Long

If Yes, Please List

Current Brokers	Previous Brokers

Is Account Operated Under Discretionary Authority? ☐ Yes ☐ No

Name of Individual With Discretion ☐ Full ☐ Limited

If Yes, Discretionary Agreement Must be Received Before Initial Order is Entered

Relationship to Client and Business of Individual With Discretion

DOCUMENTS

	Date Sent	Date Received
Customer Agreement/Loan Consent		
Authorization to Transfer Funds		
Repledging Agreement		
Corporate Resolution		
Co-Partnership Agreement		
Hedge Agreement		

Is Client a Member of Any Commodity Exchanges?
If so, List

Duplicate Statements

Other Instructions and Comments

Registered Commodity Representative	Date	Approving Officer	Date

REGISTERED REPRESENTATIVES COPY

New Account Form - Individual
Instructions

Rule 405 of the New York Stock Exchange Inc. requires the R.R. and the firm to "Know Your Customer". In order to comply this form must be fully and properly completed. Required documentation must be secured.

Customer Information

The customer name and address should appear as it should be on the statement. If the client's home address is different than the mailing addresses please show home address in comment section of form.

The client's occupation, employer and type of business is important. For employees of exchanges, member firms, and other financial institutions prior written consent from the employer is required before we may open an account for an employee.

Documents Required

The Commodity Manual contains complete details as to necessary documentation for various types of accounts.

The foregoing is a summary of instructions. Complete details are in the Commodity Manual. If you have any questions the Commodity Operations Department should be contacted.

GOVERNMENT
EXHIBIT
10 EVID.

LOAN APPLICATION

W 1

Form No. 709 Rev. 3 71

Name Connie S. Hansen

CNO = 2246882

Address Arlington, Virginia

Business

Date May 27, 1977

Record Data

Date Last Statement NW $ N/A

Previous Line Of Credit $ ---

Unused Portion Of Other Commitments $ ---

High Loans		Other Debt:	
19 77	$ 50,000	ILD	$ -0-
19 76	$ -0-	Letter of Credit	$ -0-
Last Rate		Other	$ -0-
New		Indirect	$ -0-

This Commitment Expires 5-26-78

[illegible] Loan	Desired	$ 50,000
[illegible]	Presently Owing	$ -0-
[illegible]	Total	$ 50,000

Rate Desired FNBD BF + 1 7-3/4 %

Fee

Balances

RECEIVED
JUL 26 1977
CREDIT DEPT.

Use of Funds: Personal expenses.

Liquidation Agreement and Source of Funds: One year note with interest payable quarterly.

Collateral: Unsecured

[illegible]
Guarantors: Nelson Bunker Hunt N/W 9-30-76 $139,881,590

Remarks Mrs. Hansen is the wife of Republican Congressman George Hansen of Idaho. This loan will be offset against N. B. Hunt's guidance line and collateral pool and is fully supported by his guaranty as to principal and interest.

(Report of loan funded 5-27-77; Note #591254)

Loan Officer S. P. Henry	Div.____ Committee Action______ 19___	Sr. Loan Committee Action______ 19___
Officer's Recommendation: ☐ Approve ☐ Decline ☐ None	☐ Approve ☐ Decline ☐ Accepted Report Initials	☐ Approve ☐ Decline ☐ Accepted Report Initials
Officer's Report: ☒ Approved ☐ Declined	Conditions of Approval:	Conditions of Approval:
DATE		

SPII FLUCTUATING RATE NOTE

$ 50,000.00 DALLAS, TEXAS, May 27 19 77 ACCOUNT NO 2246882 NOTE NO. 591251

364 days after date, for value received, I, we or either of us promise to pay to the order of **FIRST NATIONAL BANK IN DALLAS** *("Bank") at its office in Dallas, Texas, the principal amount of* FIFTY THOUSAND AND NO/100-- DOLLARS, *with interest thereon at a fluctuating rate from* date *until maturity, which rate shall equal* 1 % *per annum (on the basis of actual days elapsed over a 360-day year) above the base commercial rate of interest ("Base Rate") established from time to time by Bank for short-term unsecured loans to substantial and responsible commercial borrowers, each change in the rate charged hereunder to become effective without notice to the undersigned on the effective date of each change in the Base Rate, but in no event shall the rate charged hereunder exceed the maximum rate of interest permitted by applicable law.* All past-due sums, both principal and interest, shall bear interest at a non-fluctuating rate equal at all times to the highest permitted lawful rate per annum from maturity until paid. If this note is placed in the hands of an attorney for collection or be collected through the probate or bankruptcy courts, or by other judicial proceedings, the undersigned further promise to pay ten percent additional on the full amount due for attorneys' fees, plus all other costs and expenses of collection and enforcement. All parties to this note, including endorsers and guarantors, severally waive presentment for payment, notice of nonpayment, protest, demand, notice of protest, and dishonor, diligence in enforcement, and indulgences of every kind, and without further notice hereby agree to renewals, extensions, exchanges or releases of collateral, taking of additional collateral, indulgences or partial payments, either before or after maturity.

G

10% Ceiling
Interest quarterly begin 8-26-77

MATURITY DATE May 26, 1978

Connie S. Hansen
Connie S. Hansen
~~4700 38th Place North~~
Arlington, Virginia 22207

FORM 595 REV 8-73

Posting Date	Interest Paid to [illegible]	[illegible]	Principal Balance
FEB 24-78	FEB2678	*3,183.54	

GUARANTY

WHEREAS... Connie S. Hansen, hereinafter called Borrower, may from time to time become indebted to FIRST NATIONAL BANK IN DALLAS, a national banking association of the City of Dallas,-Texas, hereinafter called Bank;

NOW, THEREFORE, for a valuable consideration, receipt of which is hereby acknowledged, the undersigned, hereinafter, whether one or more, called Guarantors, jointly and severally, hereby guarantee to Bank the prompt payment at maturity of the Guaranteed Indebtedness, as that term is herein defined, this guaranty being upon the following terms and conditions:

1. Unless a different definition is stated in Paragraph 12 hereof, the expression "Guaranteed Indebtedness," as that term is used herein, means all indebtedness of every kind and character, whether now existing or hereafter arising, of Borrower to Bank, regardless of whether evidenced by notes, drafts, acceptances, overdrafts or otherwise, and without limit as to amount except that if, but only if, the blank at the end of this sentence be filled in the amount of the Guaranteed Indebtedness shall be limited in the aggregate at any one time, to the principal sum of $ 50,000.00 , together with interest thereon, and penalties, fees, and expenses (including, but not limited to attorneys' fees) as provided for under any instrument or document evidencing such indebtedness. "Unguaranteed Indebtedness," as that term is used herein, means indebtedness, if any, of Borrower to Bank, that is not Guaranteed Indebtedness.

2. Unless by the provisions of Paragraph 12 hereof, the Guaranteed Indebtedness is limited to specific indebtedness or borrowings, this instrument shall be a continuing guaranty, and the circumstance that at any time or from time to time the Guaranteed Indebtedness may be paid in full shall not affect the obligation of any Guarantor with respect to indebtedness of Borrower to Bank thereafter incurred, provided that any Guarantor may give to the Cashier of the Bank written notice that such Guarantor will not be liable hereunder for any indebtedness of Borrower incurred after the giving of such notice (which notice shall not be deemed to have been given until actually received by said Cashier), and in such event the Guarantor giving such notice (as well as each Guarantor who shall not have given notice) shall remain liable on his or its obligations hereunder until the payment in full of (i) the Guaranteed Indebtedness as it exists at the date of the giving of such notice, and (ii) loans and advances made to or for the account of Borrower after such notice pursuant to the obligation of the Bank under a commitment made to the Borrower prior to the giving of such notice, subject only to the limitation, if any be herein specified, on the amount of the Guaranteed Indebtedness. In the event that a notice as permitted in the preceding sentence be given, the obligation of each Guarantor who shall not have given such notice shall, in addition, remain and continue in full force and effect with respect to all other indebtedness incurred after the giving of such notice, just as if such Guarantors had been the only Guarantors who signed this instrument, subject only to the limitation, if any be herein specified, on the amount of the Guaranteed Indebtedness.

3. If, at any time, there be Unguaranteed Indebtedness, (i) the Bank, without in any manner impairing its rights hereunder, may, at its option, exercise rights of offset by applying, first, to the Unguaranteed Indebtedness any deposit balances to the credit of Borrower, and (ii) except as stated in the last sentence of this paragraph, apply, first, to Unguaranteed Indebtedness all amounts realized by Bank from collateral or security held by Bank for the payment of Borrower's indebtedness. If a particular security instrument expressly requires an application different from that permitted under the preceding sentence, proceeds realized by Bank from such security instrument shall be applied as provided in such instrument.

4. If Guarantors, or any of them, be or become liable for any indebtedness owing by Borrower to Bank by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights of the Bank hereunder shall be cumulative of any and all other rights that Bank may ever have against Guarantors, or any of them. The exercise by Bank of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

5. In the event of default by Borrower in payment of the Guaranteed Indebtedness, or any part thereof, when such indebtedness becomes due, either by its terms or as the result of the exercise of any power to accelerate, the Guarantors, jointly and severally, shall, on demand and without further notice of dishonor and without any notice having been given to the Guarantors previous to such demand of the acceptance by the Bank of this guaranty and without any notice having been given to the Guarantors previous to such demand of the creating or incurring of such indebtedness, pay the amount due thereon to the Bank, at its office in Dallas, Texas, and it shall not be necessary for the Bank, in order to enforce such payment by the Guarantors, first, to institute suit or exhaust its remedies against the Borrower or others liable on such indebtedness, or to enforce its rights against any security which shall ever have been given to secure such indebtedness.

6. Notice to the Guarantors of the acceptance of this guaranty and of the making, renewing or assignment of the Guaranteed Indebtedness and each item thereof, are hereby expressly waived by Guarantors.

7. Each payment on the Guaranteed Indebtedness shall be deemed to have been made by Borrower unless express written notice is given to the Bank at the time of such payment that such payment is made by Guarantors, or one or more of them, as specified in such notice.

8. If all or any part of the Guaranteed Indebtedness at any time be secured, Guarantors agree that Bank may at any time and from time to time, at its discretion and with or without valuable consideration, allow substitution or withdrawal of collateral or other security and release collateral or other security without impairing or diminishing the obligations of the Guarantors hereunder. Guarantors further agree that if the Borrower executes in favor of Bank any collateral agreement, deed of trust or other security instrument, the exercise by Bank of any right or remedy thereby conferred on Bank shall be wholly discretionary with Bank, and that the exercise or failure to exercise any of such right or remedy shall in no way impair or diminish the obligation of Guarantors hereunder. Guarantors further agree that Bank shall not be liable for its failure to use diligence in the collection of the Guaranteed Indebtedness or in preserving the liability of any person liable on the Guaranteed Indebtedness, and Guarantors hereby waive presentment of payment, notice of nonpayment, protest and notice thereof, and diligence in bringing suits against any person liable on the Guaranteed Indebtedness, or any part thereof.

9. Each Guarantor agrees that Bank, in its discretion, may (i) bring suit against the Guarantors jointly and severally or against any one or more of them, (ii) compound or settle with any one or more of the Guarantors for such consideration as the Bank may deem proper, and (iii) release one or more of the Guarantors from liability hereunder, and that no such action shall impair the rights of the Bank to collect the Guaranteed Indebtedness (or the unpaid balance thereof) from the other Guarantors, or any of them, not so sued, settled with or released. Guarantors agree among themselves, however, that nothing contained in this paragraph, and no action by Bank permitted under this paragraph, shall in any way affect or impair the rights or obligations of the Guarantors among themselves.

10. In the event of the death of a Guarantor, the obligation of the estate of the deceased Guarantor shall continue in full force and effect as to (i) the Guaranteed Indebtedness, as it exists at the date of death, and any renewals or extensions thereof, and (ii) loans or advances made to or for the account of the Borrower after the date of the death of the deceased Guarantor pursuant to an obligation of the Bank under a commitment made to the Borrower prior to the date of such death, subject only to the limitation, if any be herein specified, on the amount of the Guaranteed Indebtedness. As to all surviving Guarantors, this guaranty shall continue in full force and effect after the death of a Guarantor, not only as to the Guaranteed Indebtedness existing at that time, but also as to indebtedness of the Borrower thereafter incurred by Borrower to Bank, subject only to the limitation, if any be herein specified, on the amount of the Guaranteed Indebtedness.

11. This guaranty is for the benefit of Bank, its successors and assigns, and in the event of an assignment by the Bank, its successors or assigns, of the Guaranteed Indebtedness, or any part thereof, the rights and benefits hereunder, to the extent applicable to the indebtedness so assigned may be transferred with such indebtedness. Subject only to the qualification stated in the first sentence of Paragraph 10, this guaranty is binding, not only on each Guarantor, but on the heirs, executors, administrators and personal representatives of each Guarantor.

12. Unless specific indebtedness is described in the space below, the expression "Guaranteed Indebtedness," as used herein, shall have the meaning stated in Paragraph 1, but if the space below is filled in, such expression shall mean the indebtedness described below, together with all renewals or extensions of such indebtedness, or any part thereof:

EXECUTED this 27th day of May , 19 77

N B Hunt

N. B. Hunt

first
NATIONAL BANK
IN DALLAS

DALLAS, TEXAS

LD 008228

PURCHASER LOAN OPERATIONS

MAY 27 77

JUN 1 1 1977

PAY TO THE ORDER OF

FNB 154 $50,000 00 CTS

CONNIE S HANSEN

JUN 1977

CASHIER'S CHECK

⑈008228⑈ ⑆1110⑉0001⑆ 00 2224⑈ ⑈0005000000⑈

Connie S Hansen
George V. Hansen

35075

MAY 28 77

GOVERNMENT
EXHIBIT
16 EVID.

First National Bank in Dallas
DALLAS, TEXAS

COPY

MEMORANDUM

January 4, 1978

RECEIVED
SEP 17 1979
CREDIT DEPT.

TO: Loan Review Department

RE: Connie S. Hansen (past due interest)

A $50,000 unsecured loan was made to the subject on May 27, 1977 for one year. The loan was made at the request of and supported by the guaranty of Nelson Bunker Hunt. As a result of this guaranty, we should have no exposure of principal or interest on this loan.

Mrs. Hansen is the wife of Idaho Congressman George Hansen and, as such, maintains residences in both Arlington, Virginia, and Idaho. Our standard interest due notices were mailed to the Virginia address for the August 26 and November 26 quarters. Prior to the November 26 notice being mailed, I sent a registered, return mail copy of the first notice to confirm that the Hansens had received our initial interest notice. Congressman Hansen called me to indicate that he would immediately put a check in the mail to cover the interest. I confirmed by phone that we had the correct address for mailing notices, but since this conversation we have not received the payment nor heard anything more.

John Goodson (Hunt's financial officer) has requested that we make no further contact with the Hansens at this time as he feels the situation will be cleared up shortly (didn't say how). I have agreed to do nothing until January 31, at which time Goodson has said he will get Bunker to either pay the interest and/or the note. In view of Bunker's guaranty, I do not believe the loan should be placed on non-accrual or charged off.

Sam P. Henry
Energy Group

SPH:crk

LOAN APPLICATION

DATE November 28, 1978

NAME Connie S. Hansen

CNO 2246882

ADDRESS Arlington, Virginia

BUSINESS

Renewal

~~LINE OF CREDIT~~
LOAN
~~[illegible]~~
~~PARTICIPATION~~

Desired $ 50,000
Present* $ 50,000
Total $ 50,000

RATE FNBD BF + 1%

FEE

BALANCES

THIS COMMITMENT EXPIRES

RECORD DATA				
DATE OF LAST STATEMENT		NW $ N/A	(ANNUAL	INTERIM)
HIGH LOANS 19 78	$ 50,000			
19 77	$ 50,000			
PRESENT COMMITMENTS AS OF:				
TYPE	AMOUNT	RATE	OUTSTANDING	EXPIRES
Loan	50,000	FNBD BF +1%	50,000.00	5-26-79
TOTAL	* 50,000		50,000.00	
TOTAL INDIRECT:				

RECEIVED
FEB 02 1979
CREDIT DEPT.

USE OF FUNDS: Personal expenses

LIQUIDATION AGREEMENT AND SOURCE OF FUNDS: One year note with interest payable quarterly.

COLLATERAL: Unsecured

[redacted]
GUARANTORS Nelson Bunker Hunt N/W 6-30-78 $105,964,000

REMARKS Mrs. Hansen is the wife of Republican Congressman George Hansen of Idaho. This loan will be offset against N.B. Hunt's guidance line and collateral pool and is fully supported by his guaranty as to principal and interest.

GROUP Energy		DIVISION General Banking		CPC
ARO Sam P. Henry		☐ ACCEPTED REPORT		☐ ACCEPTED REPORT
JOINING		COMMITTEE ACTION 19__		COMMITTEE ACTION 19__
☒ ACCEPTED REPORT ☐ APPROVAL ☐ DECLINE	DCO Helm GROUP HEAD Shockney	☐ ACCEPTED REPORT ☐ APPROVAL ☐ DECLINE	INITIALS	☐ ACCEPTED REPORT ☐ APPROVAL ☐ DECLINE | INITIALS
CONDITIONS:		CONDITIONS:		CONDITIONS:

60-01-0000-0004/01

FLUCTUATING RATE NOTE

$ 50,000 DALLAS, TEXAS, May 26, 1978 ACCOUNT NO. 2246952 NOTE NO. 57125

364 *days after date, for value received, I, we or either of us promise to pay to the order of*

FIRST NATIONAL BANK IN DALLAS *("Bank") at its office in Dallas, Texas, the principal amount of*

Fifty thousand and no/100-- DOLLARS,

with interest thereon at a fluctuating rate from date *until maturity, which rate shall equal* 1 *% per annum (on the basis of actual days elapsed over a 360-day year) above the base commercial rate of interest ("Base Rate") established from time to time by Bank for short-term unsecured loans to substantial and responsible commercial borrowers, each change in the rate charged hereunder to become effective without notice to the undersigned on the effective date of each change in the Base Rate, but in no event shall the rate charged hereunder exceed the maximum rate of interest permitted by applicable law.*

All past-due sums, both principal and interest, shall bear interest at a non-fluctuating rate equal at all times to the highest permitted lawful rate per annum from maturity until paid. If this note is placed in the hands of an attorney for collection or be collected through the probate or bankruptcy courts, or by other judicial proceedings, the undersigned further promise to pay ten percent additional on the full amount due for attorneys' fees, plus all other costs and expenses of collection and enforcement. All parties to this note, including endorsers and guarantors, severally waive presentment for payment, notice of nonpayment, protest, demand, notice of protest, and dishonor, diligence in enforcement, and indulgences of every kind, and without further notice hereby agree to renewals, extensions, exchanges or releases of collateral, taking of additional collateral, indulgences or partial payments, either before or after maturity.

Connie S. Hansen
Connie S. Hansen
4700 38th Place North
Arlington, Virginia 22207

MATURITY DATE May 25, 1979

PAY TO THE ORDER OF
N.B. HUNT
WITHOUT [illegible] WARRANTY
[illegible]
First [illegible] in Dallas
[illegible]
By Sam P. Henry
[illegible]

First National Bank in Dallas Dallas, Texas 75283 (214) 744-8000

SAM P. HENRY
Vice President
P. O. Box 83724
(214) 744-8473

January 17, 1980

Mr. N. B. Hunt
2500 First National Bank
Dallas, TX 75202

Dear Bunker:

On May 27, 1977, we funded a $50,000 loan to Mrs. Connie S. Hansen supported by your guaranty. This loan was renewed at its maturity in May, 1978 for an additional year with interest paid through May 26, 1978.

Our notices to Mrs. Hansen since then have gone unanswered and direct telephone conversations with Congressman Hansen have not produced results. This loan has, therefore, been past due since May 25, 1979 and accrued interest through today totals $8,908.90. (Interest continues to accrue at $17.81 per day.) We would appreciate your assistance in securing payment of this note and, to this end, would like to enlist the assistance of the bank's attorneys. I would hope to get this matter resolved by the end of January so that this loan will not continue showing on our past due reports.

Please let me know what action you deem appropriate.

Sincerely yours,

Sam P. Henry

Sam P. Henry
Vice President

kbm

First National Bank in Dallas

Dallas, Texas 75283 (214) 744-6000

SAM P. HENRY
Vice President
P. O. Box 83724
(214) 744-8473

March 18, 1980

The Honorable and Mrs. George Hansen
4700 38th Place North
Arlington, VA 22207

Dear Congressman and Mrs. Hansen:

On May 27, 1977 the First National Bank in Dallas funded a $50,000 loan to Mrs. Connie S. Hansen. This loan was renewed at its maturity (although several months late) in May, 1978 for an additional year with interest paid current through May 26, 1978. The renewed note matured May 25, 1979 and as of today is 298 days past due.

By means of this letter, we hereby demand payment of this past due principal sum of $50,000 and accrued interest of $10,033.56. Until paid in full, interest continues accruing on this loan at the rate of $19.19 per day. Our maturity notice sent to you last May together with subsequent past due notices have gone unanswered. In a direct telephone conversation with Congressman Hansen last year, I was promised that the loan would be paid in full within the week. Again, we have heard nothing from you since that telephone conversation.

Please communicate directly with me at (214) 744-8473 to inform me as to how your payment will be effected. Shall I fail to hear from you by Wednesday, March 26, 1980, I will have no alternative but to turn this matter over to the bank's attorneys to pursue collection. You shall additionally become liable for any fees incurred as a result as per the terms of the Note (copy attached). Thank you in advance for your positive response to this letter.

Sincerely yours,

Sam P. Henry
Vice President

kbm

Attachment

cc: Mr. N. B. Hunt

First National Bank in Dallas

Dallas, Texas 75283 (214) 744-8000

SAM P. HENRY
Vice President
P. O. Box 83724
(214) 744-8473

March 18, 1980

Mr. Nelson Bunker Hunt
2500 First National Bank
Dallas, TX 75202

Dear Bunker:

On January 18, 1980, we talked about the past due loan to Mrs. Connie S. Hansen. Since that date, the loan has been placed on our supervised loan report. As a result of not hearing from the Hansens in the last sixty days, I have had no alternative but to write them a letter demanding payment. A copy of this letter is attached for your files.

Should we fail to hear from the Hansens by the end of this month, we will likewise have little option but to call for payment under the terms of your guaranty or, alternatively, to have the interest brought current and have you purchase from us a non-recourse participation in the loan. I hope this matter can be resolved to everyone's satisfaction without the necessity of having to take this last step.

Sincerely yours,

Sam

Sam P. Henry
Vice President

kbm

Enclosure

TO FIRST NATIONAL BANK IN DALLAS
DALLAS, TEXAS

N. B. HUNT
DALLAS, TEXAS 75202

32-1
1110

CHECK NUMBER	DATE		
	MO	DAY	YR
10[illegible]68	6	3	80

$ 61,503.42

PAY EXACTLY 61,503 42 CTS

PAY TO THE ORDER OF

First National Bank in Dallas

N. B. HUNT

C H Mercer

⑈01033227⑈ ⑆111000012⑆ 04 5601 2⑈ ⑈0006150342⑈

GOVERNMENT EXHIBIT
23 F

PAY TO THE ORDER OF
N.B. Hunt
WITHOUT RECOURSE OR WARRANTY
EITHER EXPRESS OR IMPLIED
First National Bank in Dallas
DALLAS, TEXAS
By Ivan Hinderer
Vice-President Asst. Cashier

JUN -3-80 CK2 ***61,503.42

GOVERNMENT
EXHIBIT
23

PENGAD-Bayonne, N.J.

REPORT NO. CLO[illegible]

COMMERCIAL LOANS
LIABILITY LEDGER
FOR PERIOD BEGINNING 00/00/00

DATE 09/10/81
PAGE [illegible]

FIRST NATIONAL BANK IN DALLAS

CUSTOMER NAME & ADDRESS CONNIE S HANSEN
4700 38TH PLACE NORTH
ARLINGTON VIRGINIA 22207

CUSTOMER NUMBER 2246802

NOTE/CMT NUMBER	OFF	COMMIT NUMBER	TRANS DESCP	SEC	PRINCIPAL TRANS AMOUNT	INT/FEE/DISC TRANS AMOUNT	INTEREST RATE	MATURITY DATE	PRESENT NOTE BALANCE	CUSTOMER GROSS DEBT	CUSTOMER ASSET DEBT	TRANS DATE POST DATE
0591254	0000	9016	NEW NTE	N	50,000.00		7.5000	05/26/78	50,000.00	50,000.00	50,000.00	05/27/77 05/27/77
0591254		9016	NTE PMT			3,188.54			50,000.00	50,000.00	50,000.00	02/24/78 02/24/78
0591254		9016	NTE PMT			3,107.35			50,000.00	50,000.00	50,000.00	10/27/78 10/27/78
0591254	0000	9016	RENEWAL		50,000.00		13.0000	05/25/79	50,000.00	50,000.00	50,000.00	05/26/78 01/10/79
0591254		9016	NTE PMT			1,120.14			50,000.00	50,000.00	50,000.00	01/10/79 01/10/79
0591254		9016	NEW PRT						50,000.00	50,000.00	50,000.00	03/27/80 03/10/80

REPORT [illegible] 80 -

COMMERCIAL LOANS
LIABILITY LEDGER
BEGINNING 00/[illegible]

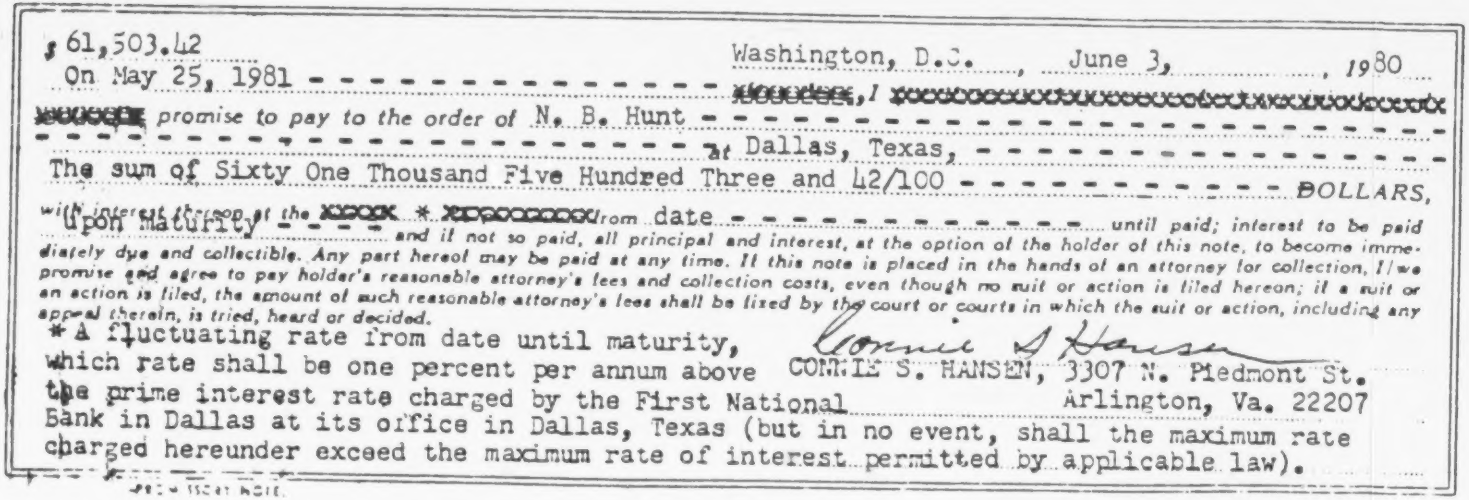
07/101

FIRST NATIONAL BANK IN DALLAS

CUSTOMER NAME & ADDRESS: CONNIE S HANSEN
4700 38TH PLACE NORTH
ARLINGTON VIRGINIA

CUSTOMER NUMBER: 2244002

NOTE/CMT NUMBER	OFF	COMMIT NUMBER	TRANS DESCP	SEC	PRINCIPAL TRANS AMOUNT	INT/FEE/DISC TRANS AMOUNT	INTEREST RATE	MATURITY DATE	PRESENT NOTE BALANCE	CUSTOMER GROSS DEBT	CUSTOMER ASSET DEBT	TRANS DATE [illegible]
0591254		9016	NTE PMT		50,000.00	11,503.42						06/03/80 06/03/80



$ 61,503.42 Washington, D.C., June 3, 1980

On May 25, 1981 - - - - - - - - - - - - - - - , I promise to pay to the order of N. B. Hunt - at Dallas, Texas, - - - - - - - - - - - - - - - -

The sum of Sixty One Thousand Five Hundred Three and 42/100 - - - - - - - - - - - DOLLARS,

with interest thereon at the * from date - - - - - - - - - - - - - - until paid; interest to be paid Upon maturity - - - - and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

*A fluctuating rate from date until maturity, which rate shall be one percent per annum above the prime interest rate charged by the First National Bank in Dallas at its office in Dallas, Texas (but in no event, shall the maximum rate charged hereunder exceed the maximum rate of interest permitted by applicable law).

Connie S Hansen

CONNIE S. HANSEN, 3307 N. Piedmont St.
Arlington, Va. 22207

GOVERNMENT
EXHIBIT
26a

PENGAD-Bayonne, N. J.

$ 3,107.35 Washington, D.C., October 26 - - - -, 1978

On May 25, 1981 - - - - - - - - - - - - - - - - - xxxxxxx, I xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxx promise to pay to the order of N. B. Hunt - at Dallas, Texas, - - - - - - - - - - - - - - - - - -

the sum of Three Thousand One Hundred Seven and 35/100 - - - - - - - - - - - - - - -DOLLARS,

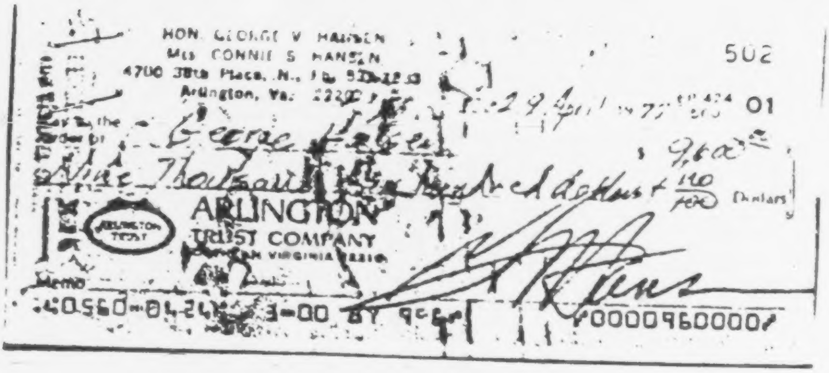
with interest thereon at the xxxxx * xxxxxxxxxxx*from* date - - - - - - - - - - - - - -*until paid; interest to be paid* upon maturity - - - - -*and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.*

* A fluctuating rate from date until maturity, which rate shall be one percent per annum above the prime interest rate charged by the First National Bank in Dallas at its office in Dallas, Texas (but in no event, shall the maximum rate charged hereunder exceed the maximum rate of interest permitted by applicable law).

Connie S Hansen

CONNIE S. HANSEN, 3307 N. Piedmont St.
Arlington, Va. 22207

GOVERNMENT
EXHIBIT
26b



HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph. 532-[illegible]
Arlington, Va. 2220[illegible]

502

29 April 1977 68-424/[illegible] 01

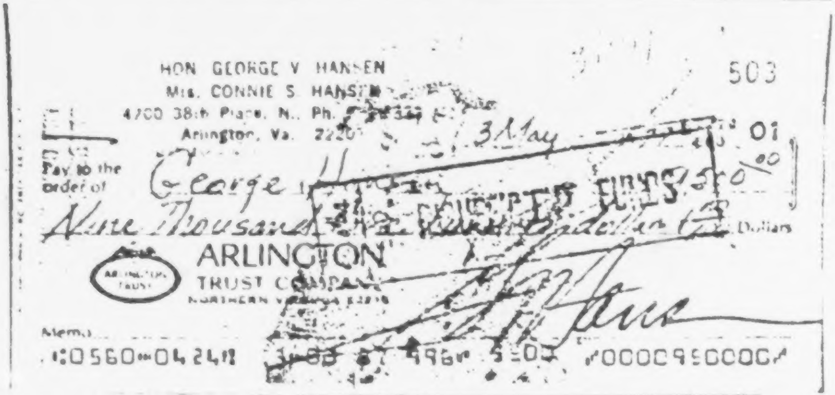
Pay to the order of George H[illegible] $ 9,600 00/100

Nine Thousand [illegible] hundred dollars + [illegible]/100 Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA 22210

Memo

:0560-0424: 3-00 87 996 [illegible] 0000960000



HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph. [illegible]
Arlington, Va. 2220[illegible]

503

31 May [illegible] 01

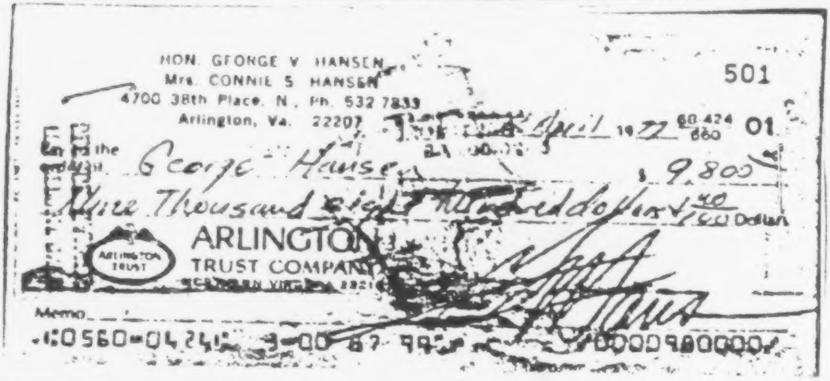
Pay to the order of George H[illegible] $ 9,500 00/100

Nine Thousand [illegible] dollars [illegible] Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA 22210

Memo

:0560-0424: 3-00 87 996 3503 0000950000



HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph. 532 7833
Arlington, Va. 22207

501

[illegible] April 1977 68-424/660 01

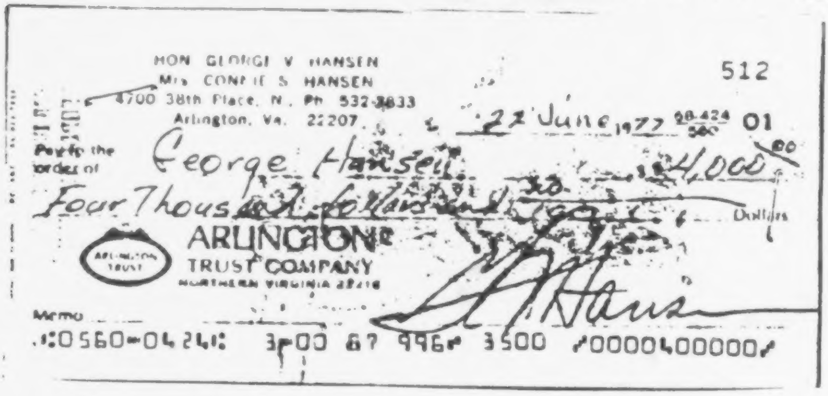
Pay to the order of George Hansen $ 9,800

Nine Thousand eight hundred dollars + 00/100 Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA 22210

Memo

:0560-0424: 3-00 87 99[illegible] 0000980000



HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph. 532-3833
Arlington, Va. 22207

512

22 June 1977 68-424/560 01

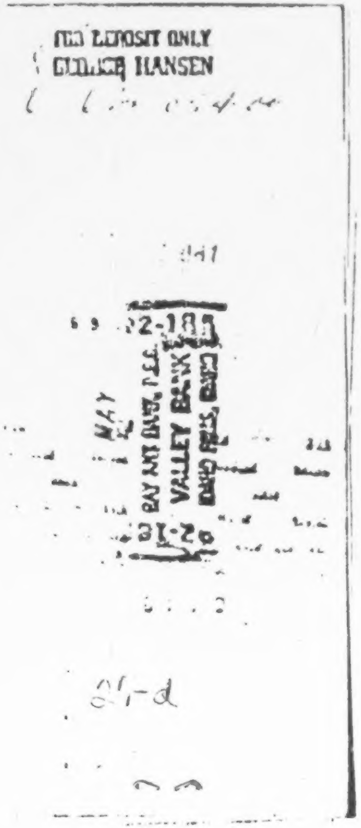
Pay to the order of George Hansen $ 4,000 00/100

Four Thousand dollars and [illegible] Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA 22210

Memo

:0560-0424: 3-00 87 996 3500 0000400000

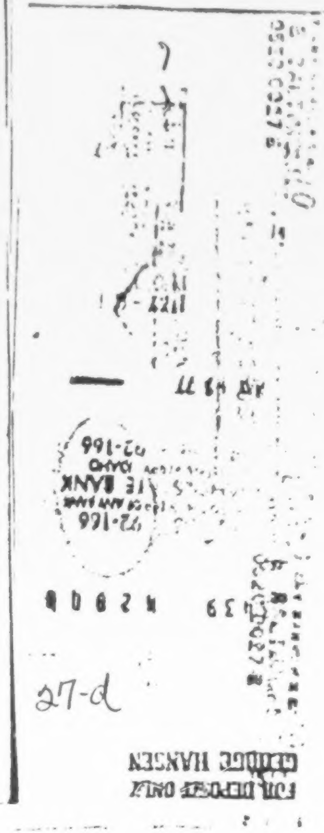


FOR DEPOSIT ONLY
GEORGE HANSEN

92-185
PAY ANY BANK, P.E.G.
VALLEY BANK
IDAHO FALLS, IDAHO
92-185

MAY

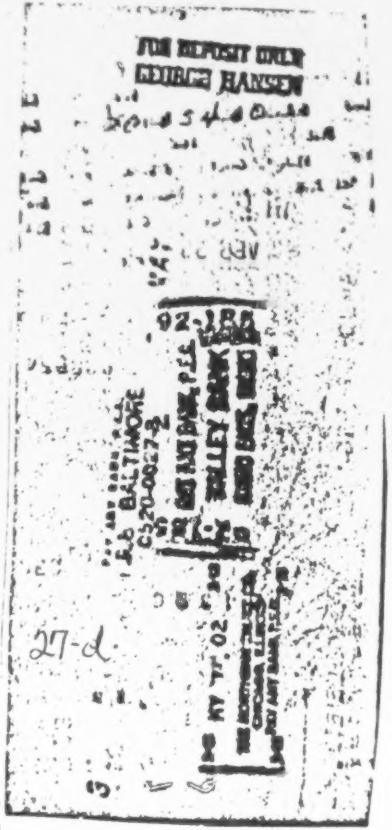
27-d



FOR DEPOSIT ONLY
GEORGE HANSEN

92-166
STATE BANK
IDAHO
92-166

27-d



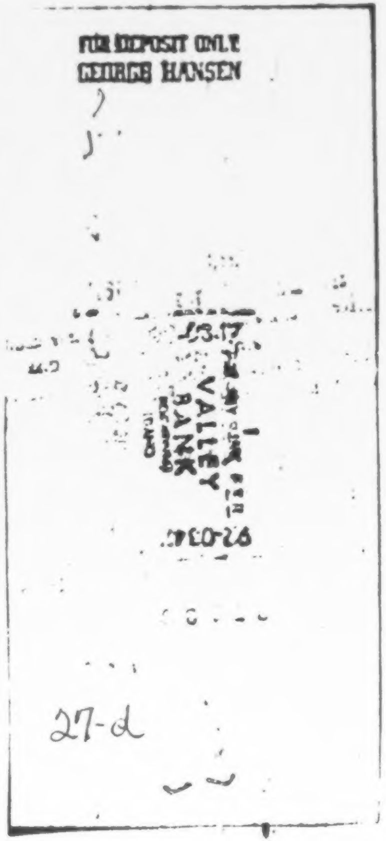
FOR DEPOSIT ONLY
GEORGE HANSEN

92-185
PAY ANY BANK, P.E.G.
VALLEY BANK
IDAHO FALLS, IDAHO

PAY ANY BANK P.E.G.
F.R. BALTIMORE
C520-0027-2

MY 11 02
THE NORTHERN TRUST CO.
CHICAGO, ILLINOIS
PAY ANY BANK P.E.G.

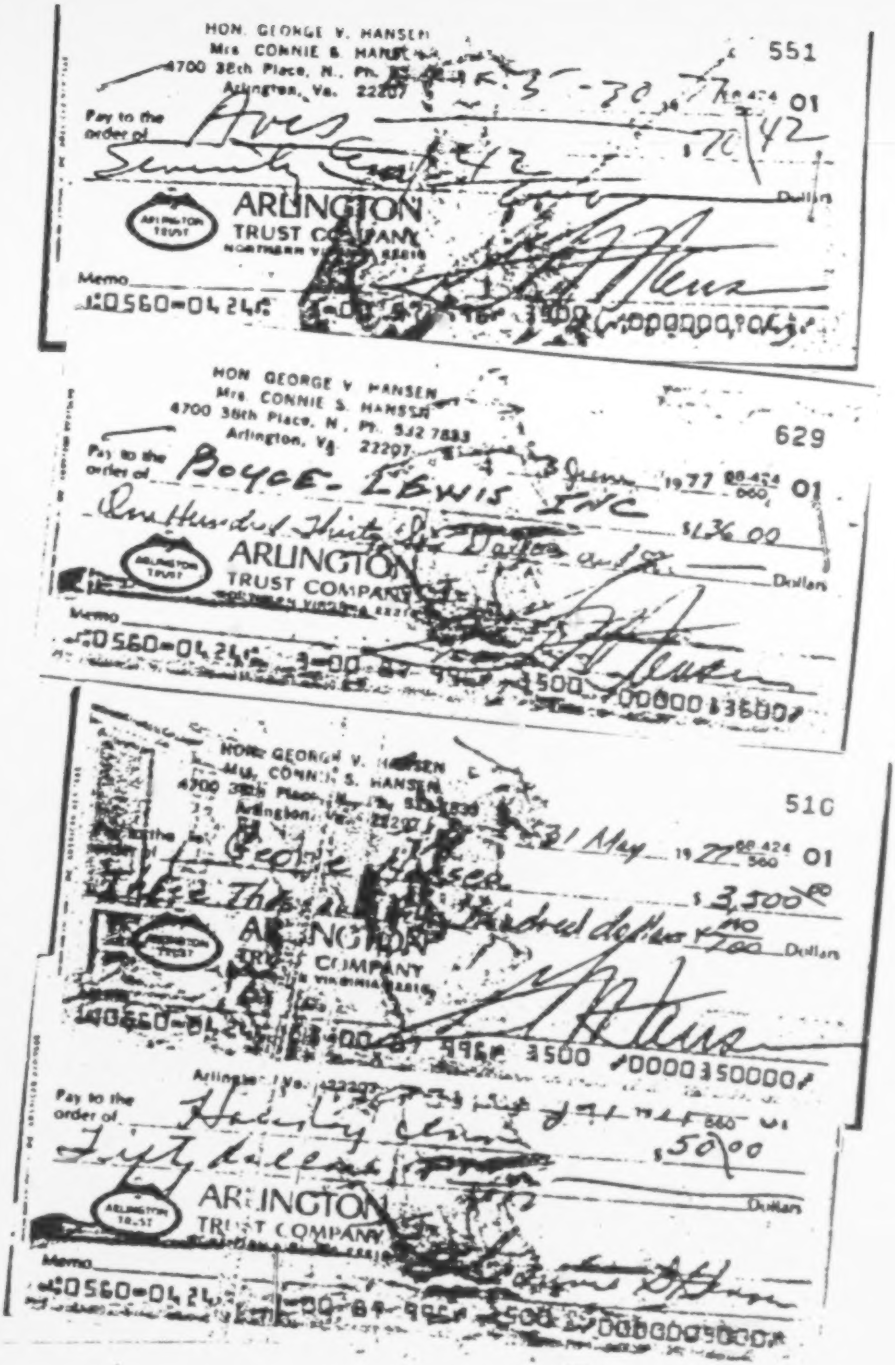
27-d



FOR DEPOSIT ONLY
GEORGE HANSEN

PAY ANY BANK P.E.G.
VALLEY
BANK
IDAHO
92-0347

27-d



HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph.
Arlington, Va. 22207

551

3-30 77 68-424 01

Pay to the order of Aves $70 42/

Seventy ... 42/ Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA

Memo

⑆0560-0424⑆ 3500

HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph. 532 7883
Arlington, Va. 22207

629

3 June 1977 68-424/560 01

Pay to the order of BOYCE-LEWIS INC $136.00

One Hundred Thirty Six Dollars and no/100 Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA

Memo

⑆0560-0424⑆ 3-00 3500 ⑈0000013600⑈

Hansen

HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph.
Arlington, Va. 22207

510

31 May 1977 68-424/560 01

Pay to the order of George Hansen $3,500.00

Three Thousand Five Hundred dollars + no/100 Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA

⑆0560-0424⑆ 996 3500 ⑈0000350000⑈

Hansen

Arlington, Va. 22207

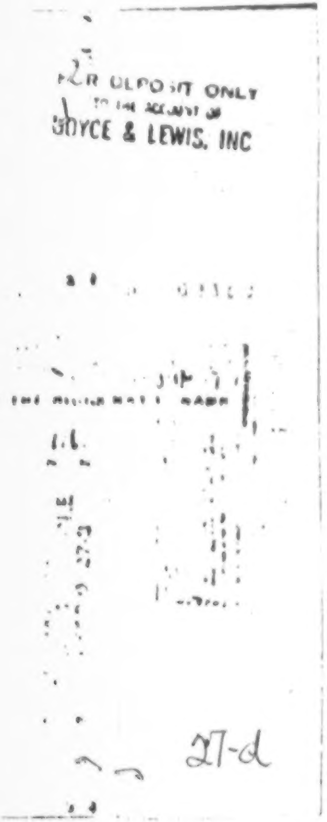
Pay to the order of Hadley [illegible] $50.00

Fifty dollars Dollars

ARLINGTON TRUST COMPANY

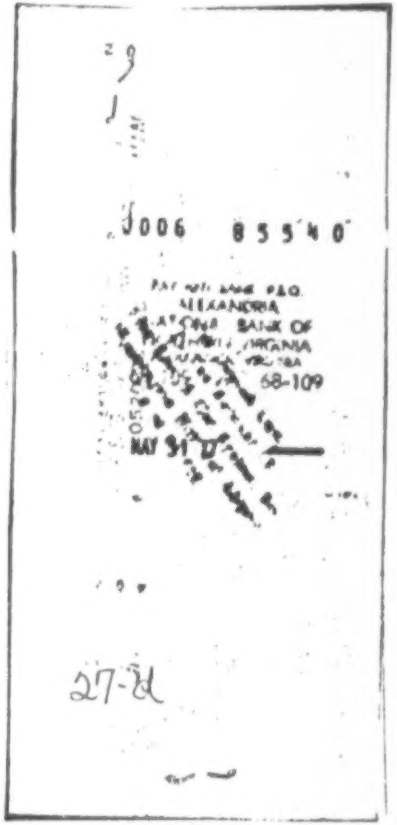
Memo

⑆0560-0424⑆ 00-84-996 3500 ⑈0000005000⑈



FOR DEPOSIT ONLY
TO THE ACCOUNT OF
JOYCE & LEWIS, INC

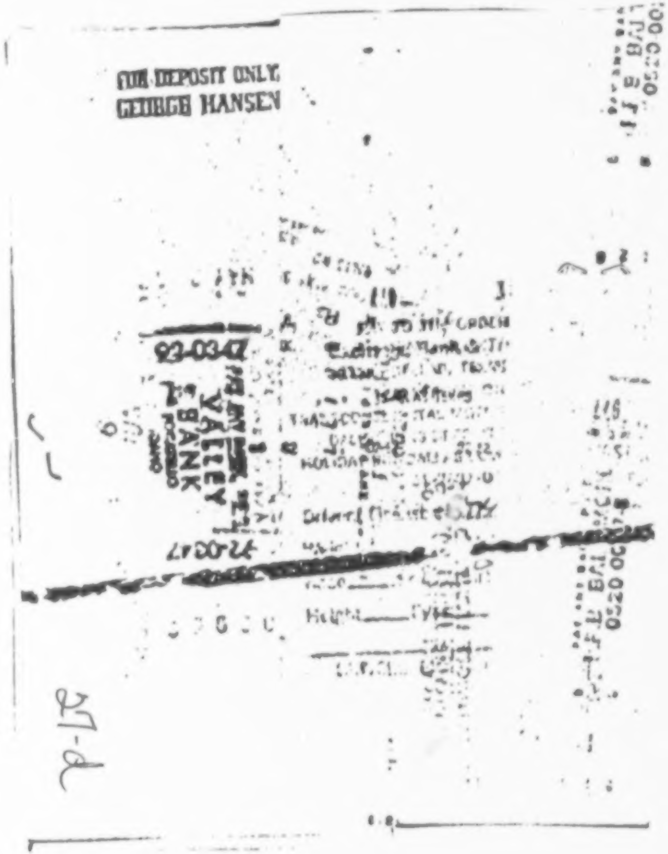
27-d



006 85540

ALEXANDRIA
BANK OF
VIRGINIA
68-109
MAY 31

27-d

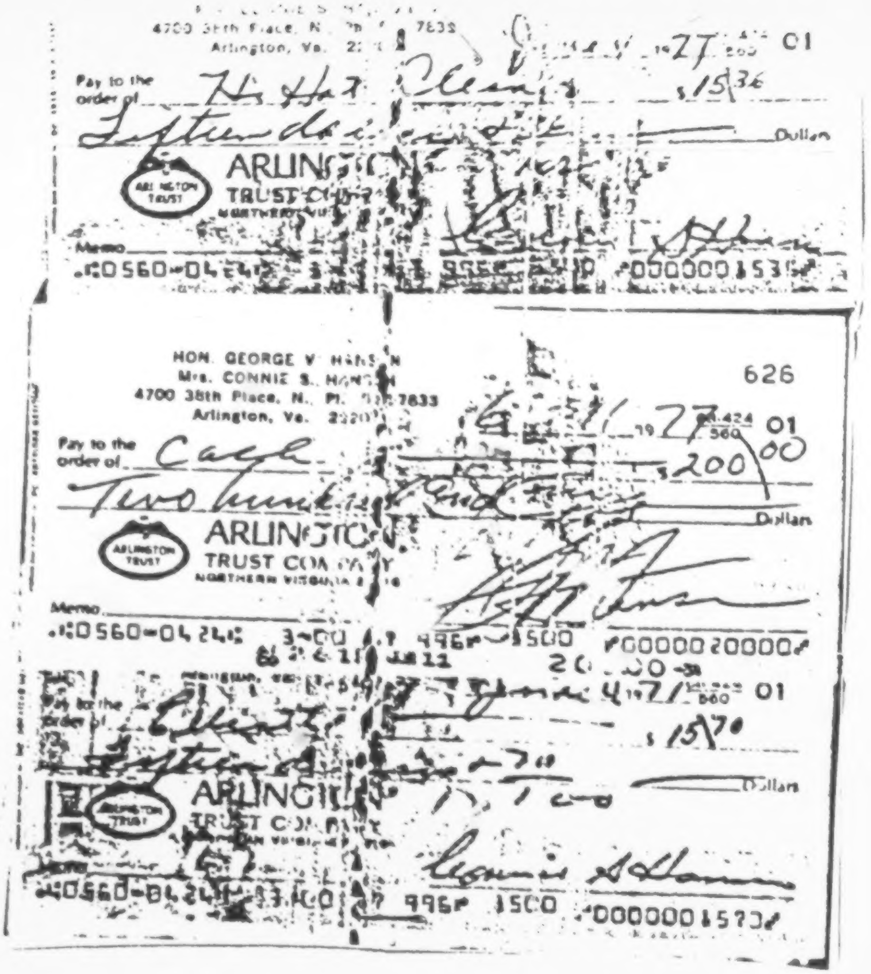


FOR DEPOSIT ONLY,
GEORGE HANSEN

93-0347
VALLEY
BANK

Height —— Type

27-d



4700 38th Place, N. 7833
Arlington, Va.

Pay to the order of Hi Hat Clean[illegible] $15 36/
Fifteen [illegible] Dollars

ARLINGTON TRUST COMPANY

Memo
⑆0560⑉0424⑆ [illegible] 0000001536

HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Pl. 7833
Arlington, Va.

626

[illegible] 19 77 68-424/560 01

Pay to the order of Cash $200 00/
Two hundred and [illegible] Dollars

ARLINGTON TRUST COMPANY
NORTHERN VIRGINIA

Memo
⑆0560⑉0424⑆ 3⑈00 [illegible] 996⑈ 1500 ⑈0000020000⑈

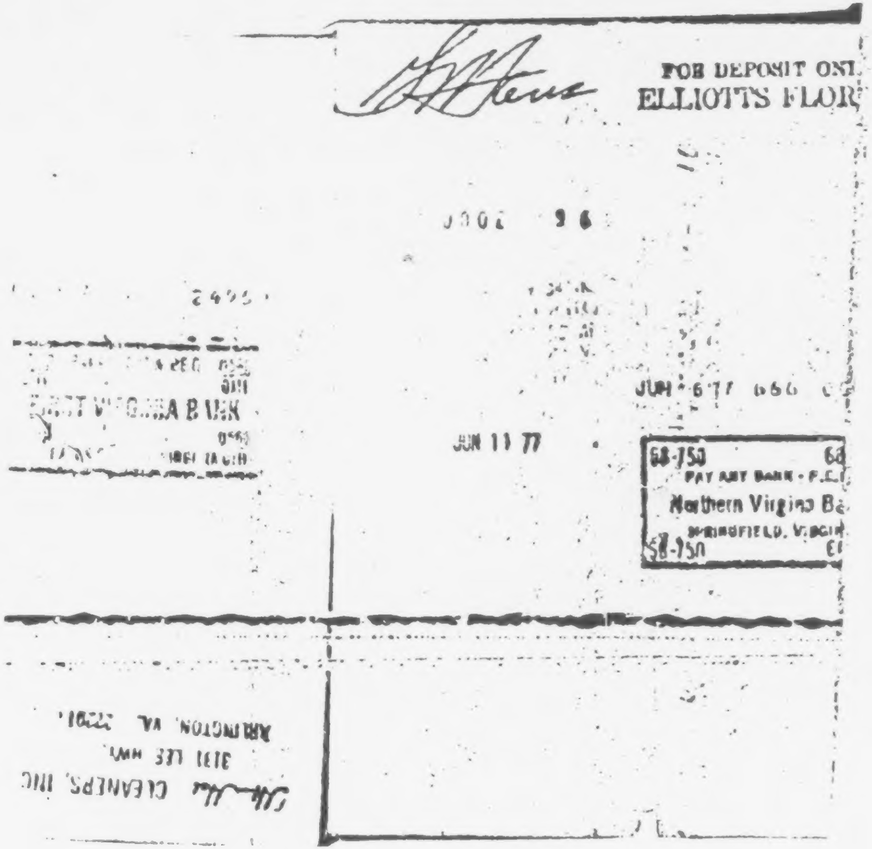
June [illegible] 19 77 01

Pay to the order of [illegible] $15 70/
Fifteen & [illegible] 70 Dollars

ARLINGTON TRUST COMPANY

Connie S. Hansen

⑆0560⑉0424⑆ [illegible] 996⑈ 1500 ⑈0000001570⑈



FOR DEPOSIT ONL
ELLIOTTS FLOR

JUN 6 77 666

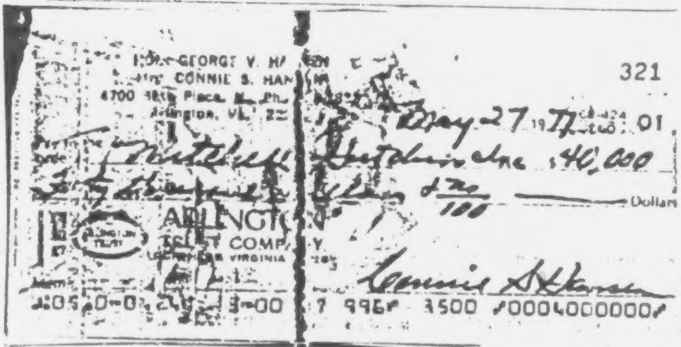
JUN 11 77

68-750 68
PAY ANY BANK - P.E.
Northern Virginia Ba
SPRINGFIELD, VIRGIN
68-750

FIRST VIRGINIA BANK

CLEANERS, INC
3131 LEE HWY.
ARLINGTON, VA. 22201.

Unable to obtain check for $40.50, drawn on Union Trust of D.C (15-58/540): film on ATC box 12674 broken and last part lost.



HON. GEORGE V. HA
Mrs. CONNIE S. HAN
4700 18th Place N. Ph.
Arlington, VA. 22

321

May 27 1977 68-424 / 01

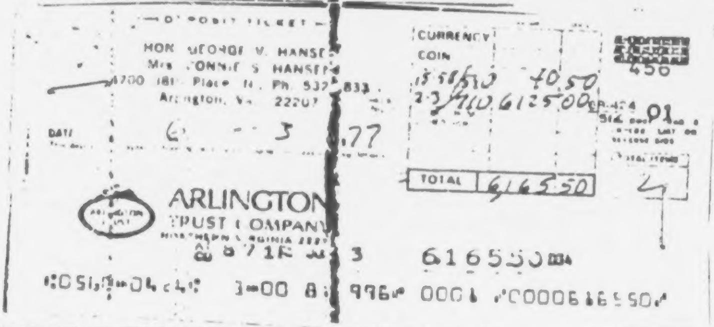
Pay to the Order of Mitchell Hutchins Inc. $40,000

Forty thousand & no/100 Dollars

ARLINGTON TRUST COMPANY
VIRGINIA

Connie S Hansen

⑆0520-0424⑆ 3-00 7 996⑈ 3500 ⑈0004000000⑈



DEPOSIT TICKET

HON. GEORGE V. HANSE
Mrs. CONNIE S. HANSE
4700 18th Place N., Ph. 532-833
Arlington, Va. 22207

DATE 6-3-77

CURRENCY	
COIN	
15-58/540	40.50
2-3/710	6125.00
TOTAL	6165.50

68-424 / 01

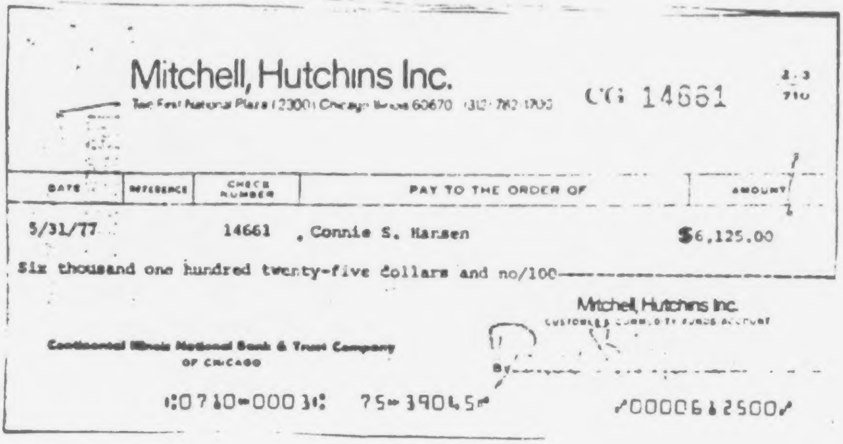
450

TOTAL ITEMS 2

ARLINGTON TRUST COMPANY

JUN 3 6165.50

⑆0520-0424⑆ 3-00 8 996⑈ 0001 ⑈0000616550⑈



Mitchell, Hutchins Inc.
Ten First National Plaza (2300) Chicago Illinois 60670 (312) 782-1700

CG 14661

2-3 / 710

DATE	REFERENCE	CHECK NUMBER	PAY TO THE ORDER OF	AMOUNT
5/31/77		14661	Connie S. Hansen	$6,125.00

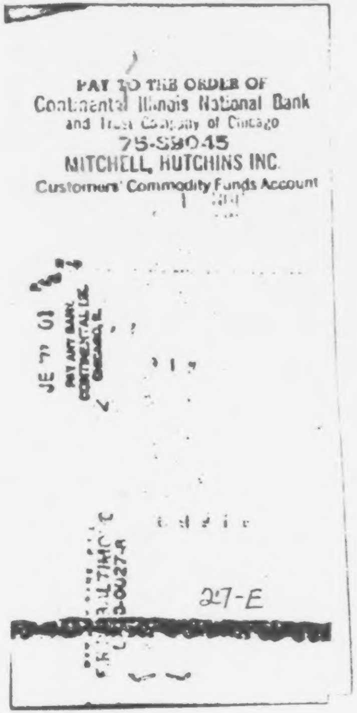
Six thousand one hundred twenty-five dollars and no/100

Continental Illinois National Bank & Trust Company
OF CHICAGO

Mitchell, Hutchins Inc.
CUSTOMER'S COMMODITY FUNDS ACCOUNT

By

⑆0710-0003⑆ 75-39045⑈ ⑈0000612500⑈

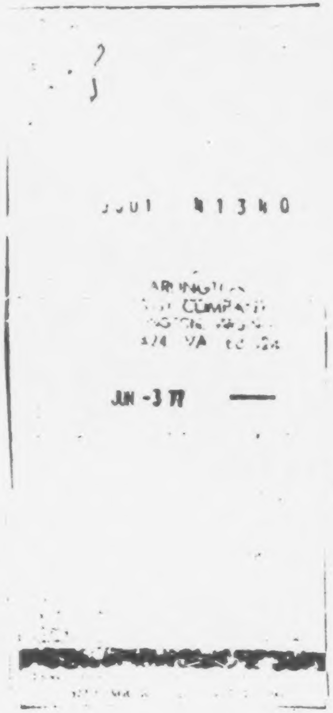


PAY TO THE ORDER OF
Continental Illinois National Bank
and Trust Company of Chicago
75-58045
MITCHELL, HUTCHINS INC.
Customers' Commodity Funds Account

JE 77 01
PAY ANY BANK
CONTINENTAL I.B.
CHICAGO, IL

27-E

[redacted]

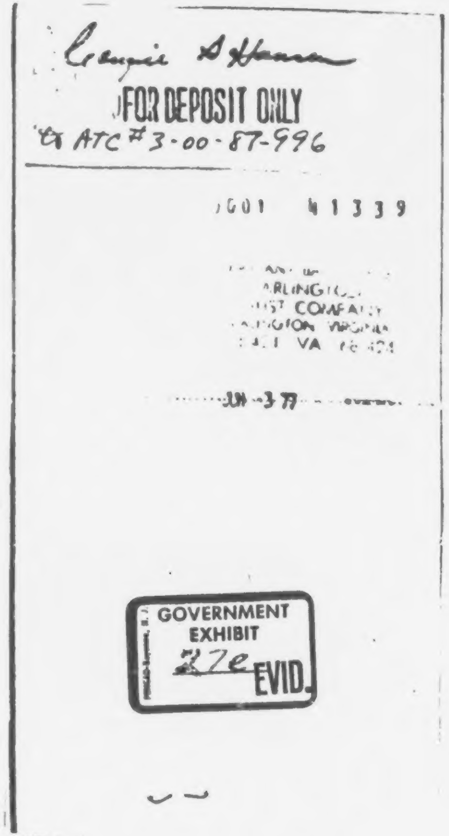


JJ01 41340

ARLINGTON
TRUST COMPANY
ARLINGTON VIRGINIA
VA

JUN -3 77

[redacted]



FOR DEPOSIT ONLY
ATC #3-00-87-996

JG01 41339

ARLINGTON
TRUST COMPANY
ARLINGTON VIRGINIA
VA

JUN -3 77

GOVERNMENT
EXHIBIT
27e
EVID.

FILE COPY

CUSTOMER NAME (Business or Individual): CONNIE S. HANSEN

SEND MAIL TO: ☐ Business ☒ Home

BANK REFERENCE: 1st American Bank, Arlington Va

NAME & POSITION OF OFFICER CONTACTED: Kathryn Eckhardt

BRANCH OFFICE: 32

ACCOUNT NO.: 32008

R.R.:

FEDERAL IDENTIFICATION NO.: 498 34 1691 ☐ I.R.S. ☒ S.S.

DATE ACCOUNT OPENED: 1 | 16 | 79

CREDIT REPORT REQUESTED: ☒ No ☐ Yes

TYPE: ☐ RCC ☐ D & B ☐ Other

RESIDENTIAL ADDRESS
STREET & P.O. BOX NO.: 4700 38th Place North
CITY / STATE / ZIP: Arlington, Va 22207
TELEPHONE NO.: 703 532 7833

SOURCE OF ACCOUNT: ☐ Walk In ☐ Call In ☐ Cargill ☒ Direct ☐ Advance Lead ☐ Other ☐ Referred by

BUSINESS ADDRESS
STREET & P.O. BOX NO.:
CITY / STATE / ZIP:
TELEPHONE NO.: 202 225 5531

CARGILL CASH CUSTOMER INFORMATION
BUYS:
SELLS:
VOLUME:
TREND:

EMPLOYER OR FIRM AFFILIATION: Housewife (Husband: Congressman George Hansen, Idaho)

NATURE OF BUSINESS:

OCCUPATION OR POSITION HELD:

OVER 21: ☒ Yes ☐ No

APPROXIMATE AGE:

IS CUSTOMER A DIRECTOR, OFFICER OR CONTROLLING STOCKHOLDER OF A CORPORATION: ☒ No ☐ Yes (Company and position held)

IS CUSTOMER RELATED TO A C.I.S. OR CARGILL OFFICER OR EMPLOYEE: ☒ No ☐ Yes (Give name and relationship)

IS CUSTOMER U.S. CITIZEN: ☐ No ☒ Yes

IS CUSTOMER A NON RESIDENT ALIEN: ☒ No ☐ Yes (What country)

SPOUSE'S NAME: George Hansen

SPOUSE'S OCCUPATION: Congressman

SPOUSE'S EMPLOYER: U.S.

ACCOUNT INFORMATION: ☐ Cash ☒ Margin

OTHER BROKERS (If any): n/a

TYPE OF TRADES: ☐ Hedge ☐ Spread ☒ Speculative

CUSTOMER BUSINESS ANALYSIS
SALES (Dollars):
PRODUCTS:
COMMODITIES:
PROFITS:
PLANS:

NAME OF AUTHORIZED PERSON OPENING THE ACCOUNT: Connie Hansen

EMPLOYED BY: n/a

PERSON AUTHORIZED TO ENTER ORDERS: Connie Hansen

EMPLOYED BY: n/a

CUSTOMERS (Approximate)

NET WORTH	ANNUAL INCOME
☐ Under $20M	☐ Under $10M
☐ $20M - $50M	☐ $10M - $20M
☐ $50M - $100M	☐ $20M - $50M
☐ $100M - $250M	☐ $50M - $100M
☐ Over $250M	☐ Over $100M

OTHER: Written authority [illegible] the account [illegible]. [illegible] period

CORPORATE RESOLUTION TO TRADE SIGNED BY (Officer & Title):

SOURCE OF INFORMATION:

LEGAL DOCUMENTS SIGNED:
☐ Corporate Authorization ☐ Trading Authorization
☒ Commodity Agreement ☐ Margin Agreement
☐ Joint Account Agreement Risk Disclosure Statement

R.R. SIGNATURE:

OFFICE MANAGER SIGNATURE:

C.I.S. OFFICER SIGNATURE:

RISK DISCLOSURE STATEMENT

Cargill Investor Services, Inc.
141 W. Jackson Blvd.
Chicago, Illinois 60604

Date: January 16, 1979

(Mrs) Connie S. Hansen
4700 38th Place North
Arlington, Va 22207

Account No: 32008

Dear Mrs. Hansen :

This statement is furnished to you because rule 1.55 of the Commodity Futures Trading Commission requires it.

The risk of loss in trading commodity futures contracts can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. In considering whether to trade, you should be aware of the following:

(1) You may sustain a total loss of the initial margin funds and any additional funds that you deposit with your broker to establish or maintain a position in the commodity futures market. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the prescribed time, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.

(2) Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move."

(3) Placing contingent orders, such as a "stop-loss" or "stop-limit" order will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.

(4) A "spread" position may not be less risky than a simple "long" or "short" position.

(5) The high degree of leverage that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

This brief statement cannot, of course, disclose all the risks and other significant aspects of the commodity markets. You should therefore carefully study futures trading before you trade.

Sincerely yours,

Cargill Investor Services, Inc.

Please sign and date this copy, and return it to Cargill Investor Services; as acknowledgement that you have received and understood this disclosure statement. Federal Regulations require this to be kept on file. Thank you.

Connie S Hansen

Date: 1-16-79

FORM C 18-40

ORIGINAL - RETURN TO C.I.S.

DATE
JAN 16, 1979

CARGILL INVESTOR
141 WEST JACKSON
CHICAGO, ILLINOIS 60
TEL. (312) 435-6300

TE PLEASE REPORT
Y DIFFERENCE IMMEDIATELY

32 32008

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

MRS CONNIE S HANSEN
4700 38TH PLACE NORTH
ARLINGTON, VA 22207

DATE	GRAINS IN 000'S BOUGHT	SOLD	COMMODITY/OPTION DESCRIPTION	P/C	*EX	TRADE PRICE	DEBIT	CREDIT
	ACCOUNT BALANCE — SEGREGATED FUNDS							.00
+=+=+=+=+= CONFIRMATION =+=+=+=+=+= CONFIRMATION =+=+=+=+=+=								
WE HAVE MADE THIS DAY THE FOLLOWING TRADES FOR YOUR ACCOUNT AND RISK.								
	1		MAR NY SILVER		G	617.50		
	21		MAR NY SILVER		G	618.50		
	6		MAR NY SILVER		G	619.50		
	35		MAR NY SILVER		G	620.00		
	62		MAR NY SILVER		G	621.50		
	125*							
+=								
URRENT ACCOUNT BALANCE — SEGREGATED FUNDS								.00

PROCESSING BY COMPUTER INFORMATION SERVICE, INC.

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE.

RETAIN FOR TAX PURPOSES

E & O E

CARGILL INVESTOR SERVICES, INC
141 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60604
TEL. (312) 435-8300

JAN 18, 1979

NOTE PLEASE REPORT ANY DIFFERENCES

32 32008

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

MRS CONNIE S HANSEN
4700 38TH PLACE NORTH
ARLINGTON, VA 22207

DATE	GRAINS IN 000'S		COMMODITY/OPTION DESCRIPTION	P/C	* EX	TRADE PRICE	AMOUNT	
	BOUGHT	SOLD					DEBIT	CREDIT
1-16-79	ACCOUNT BALANCE — SEGREGATED FUNDS							.00
=+=+=+=+=+= CONFIRMATION =+=+=+=+=+= CONFIRMATION =+=+=+=+=+								
WE HAVE MADE THIS DAY THE FOLLOWING TRADES FOR YOUR ACCOUNT AND RISK.								
		88	MAR NY SILVER		G	635.00		
		37	MAR NY SILVER		G	636.50		
		125*						
+=+=+=+= PURCHASE & SALE =+=+=+= PURCHASE & SALE =+=+=+=+								
1-16-79	1		MAR NY SILVER		G	617.50		
1-16-79	21		MAR NY SILVER		G	618.50		
1-16-79	6		MAR NY SILVER		G	619.50		
1-16-79	35		MAR NY SILVER		G	620.00		
1-16-79	62		MAR NY SILVER		G	621.50		
1-18-79		88	MAR NY SILVER		G	635.00		
1-18-79		37	MAR NY SILVER		G	636.50		
	125*	125*	COMM. (6.250.00)			P & S		93725.00
			FEES OR COMMISSIONS				6250.00	
			NET PROFIT OR LOSS FROM TRADES					87475.00
=+								
IRE								125000.00
URRENT ACCOUNT BALANCE — SEGREGATED FUNDS								212475.00

PROCESSING BY COMPUTER INFORMATION SERVICE, INC

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE.

RETAIN FOR TAX

E & O E

JAN 19, 1979

CARGILL INVESTOR SERVICES, INC
141 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60604
TEL. (312) 435-8300

NOTE PLEASE REPORT
ANY DIFFERENCES IMMEDIATELY

32 32008

COMBINED COMMODITY STATEMENT
CONFIRMATION AND/OR PURCHASE & SALE

MRS CONNIE S HANSEN
4700 38TH PLACE NORTH
ARLINGTON, VA 22207

DATE	GRAINS IN 000'S		COMMODITY/OPTION DESCRIPTION	P/C	EX	TRADE PRICE	AMOUNT	
	BOUGHT	SOLD					DEBIT	CREDIT
1-18-79	ACCOUNT BALANCE — SEGREGATED FUNDS							212475.00
IRE							212475.00	
URRENT ACCOUNT BALANCE — SEGREGATED FUNDS								.00

ING BY COMPUTER INFORMATION SERVICE, INC

SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE.
*CODED SYMBOLS ARE EXPLAINED ON REVERSE SIDE.

RETAIN FOR TAX

[illegible]
[illegible] ILLINOIS [illegible]
TEL. (312) [illegible]

[illegible] 1, 197[illegible]

MONTHLY COMMODITY STATEMENT
ACTIVITY AND OPEN POSITIONS

[illegible] CONNIE C HANS[illegible]
[illegible] PLACE NORTH
[illegible]LINGTON, VA 22207

SEGREGATED ACCOUNT

```
1-1 -7[illegible]  12[illegible]  12[illegible]  MAR NY SILVER     C     PCS                 -7475.00
1-1[illegible]-7[illegible] +1[illegible]                                CASH                12[illegible]000.00
1-1[illegible]-7[illegible] +1[illegible]                                CASH  21,47[illegible].00
1- 1-7[illegible] ACCOUNT BALANCE -- SEGREGATED FUNDS . . . . . . . . .                       .00*
        NET PROFIT OR LOSS(-) FOR MONTH            -7,475.00
```

CONTINENTAL BANK
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
231 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS 60693
We'll find a way

TRANSFER OF FUNDS DIVISION
INVESTIGATIVE UNIT 828-8285

AC— 72-05201 REF. NO. 03145

CARGILL INVESTOR SERVICES, INC.
CUSTOMERS SEGREGATED ACCOUNT
ATTN. DANIEL G. AMSTUTZ PRESIDENT AND
TREASURER
141 W JACKSON BL
CHICAGO IL 60604

N
P FIRST SECURITY BANK OF IDA
A NATIONAL ASSOCIATION
Y CASHIERS DEPT.
E P O BOX 7069
E BOISE ID 83730

WE HAVE CHARGED YOUR ACCOUNT ON 01/19/79 AS PER YOUR PHN
INSTRUCTIONS.

AMO
$21

CDT=FIRST SECURITY BANK OF IDAHO, POCATELLO, IDAHO BNF=MRS. CONNIE
HANSEN //004 11962-39

CIS
CARGILL
INVESTOR
SERVICES INC. 141 West Jackson Boulevard, Chicago, Illinois 60604 Telephone (312) 435-8300

Mc [illegible] - Domestic Investigations

010988

Date 1/9/78.

CONFIRMATION OF OUR WIRE TRANSFER BY PHONE AS PER ABOVE DATE (PLEASE MAKE NO ENTRIES).

DRAWEE BANK Conti	TYPE OF ACCOUNT SEG	ACCOUNT NO. 72-05201

BENEFICIARY
1st Security Bank of Idaho N/A Pocatello, Idaho for account of
(payee bank)
Mrs. Connie S. Hansen A/C# 004-11962-39, [illegible] 212,475.00

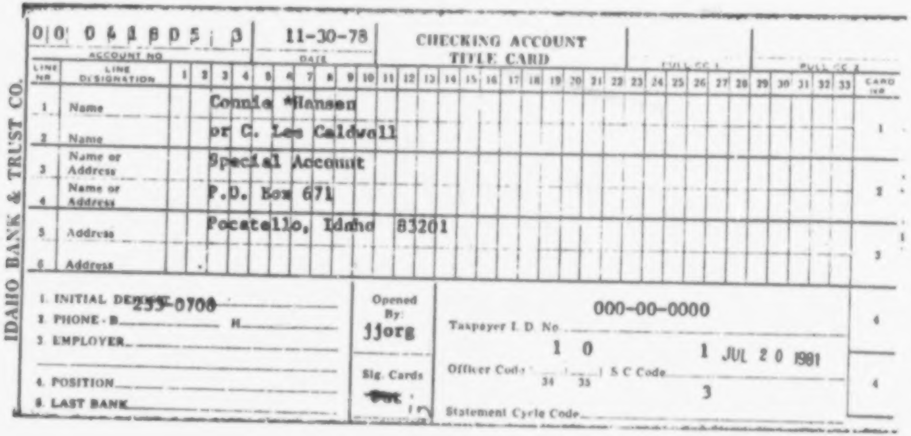
REQUESTED BY:	APPROVED BY:	SENT BY: RAK	POSTED BY:

INSTRUCTIONS:
1. Accomplish in DUPLICATE
2. Original - Accounting
3. Duplicate - Drawee Bank

FOR THE ACCOUNTING DEPARTMENT USE ONLY

CUSTOMER ACCOUNT NO. 32608

ACCOUNT NAME	CODE	DEBIT	CREDIT



IDAHO BANK & TRUST CO.

00 041805 3 (ACCOUNT NO)
11-30-78 (DATE)

CHECKING ACCOUNT
TITLE CARD

LINE NO	LINE DESIGNATION		CARD NO
1	Name	Connie *Hansen	1
2	Name	or C. Lee Caldwell	
3	Name or Address	Special Account	2
4	Name or Address	P.O. Box 671	
5	Address	Pocatello, Idaho 83201	3
6	Address		

1. INITIAL DEPOSIT 233-0700
2. PHONE - B ______ H ______
3. EMPLOYER ______
4. POSITION ______
5. LAST BANK ______

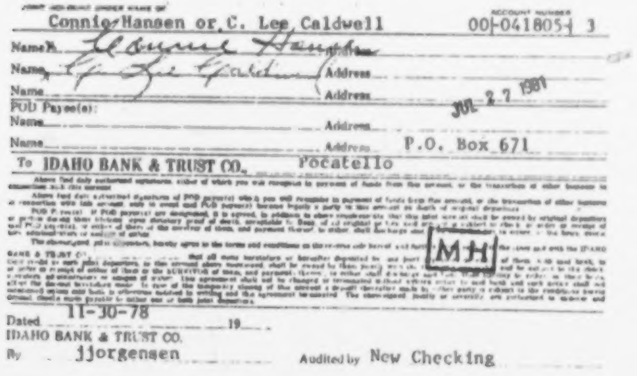
Opened By: jjorg

Sig. Cards

Taxpayer I. D. No. 000-00-0000

Officer Code 1 0 (34 35) S C Code 1 JUL 20 1981

Statement Cycle Code 3



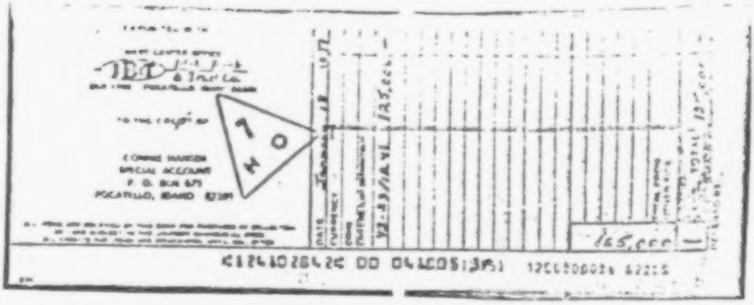
Connie Hansen or C. Lee Caldwell   ACCOUNT NUMBER 00-041805-3

Name Connie Hansen
Name C. Lee Caldwell   Address
Name   Address
POD Payee(s):
Name   Address
Name   Address P.O. Box 671
To IDAHO BANK & TRUST CO. Pocatello

JUL 27 1981

MH

Dated 11-30-78 19
IDAHO BANK & TRUST CO.
By jjorgensen   Audited by New Checking



WEST CENTER OFFICE

Idaho Bank & Trust Co.

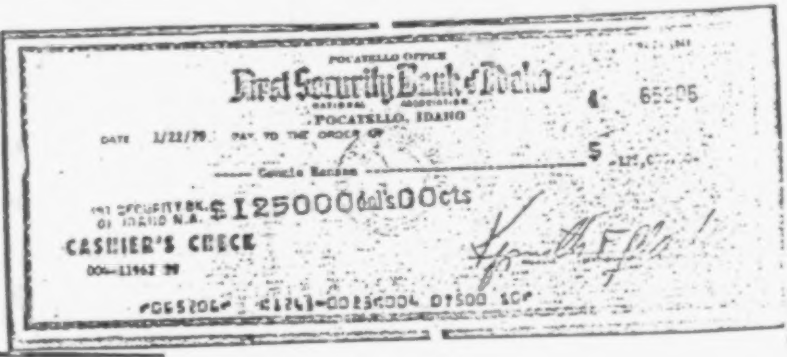
TO THE CREDIT OF

CONNIE HANSEN
SPECIAL ACCOUNT
P. O. BOX 671
POCATELLO, IDAHO 83201

DATE January 18 1979

125,000

TOTAL 125,000



POCATELLO OFFICE

First Security Bank of Idaho
NATIONAL ASSOCIATION
POCATELLO, IDAHO

65205

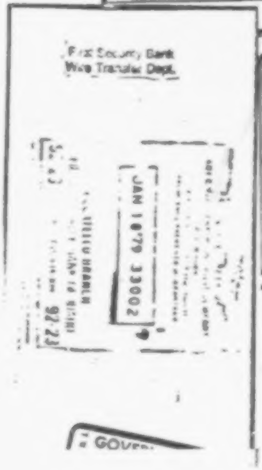
DATE 1/22/79 PAY TO THE ORDER OF

Connie Hansen

$ 125,000.00

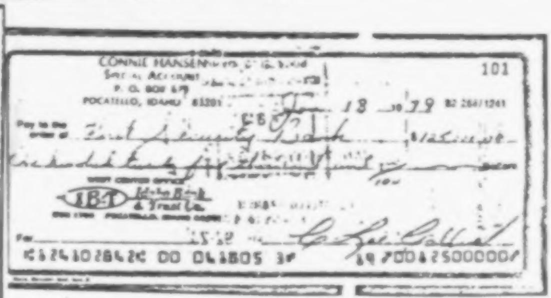
1ST SECURITY BK. OF IDAHO N.A. $125000dol's00cts

CASHIER'S CHECK



First Security Bank
Wire Transfer Dept.

JAN 19 '79 33002



CONNIE HANSEN
Special Account
P. O. BOX 671
POCATELLO, IDAHO 83201

101

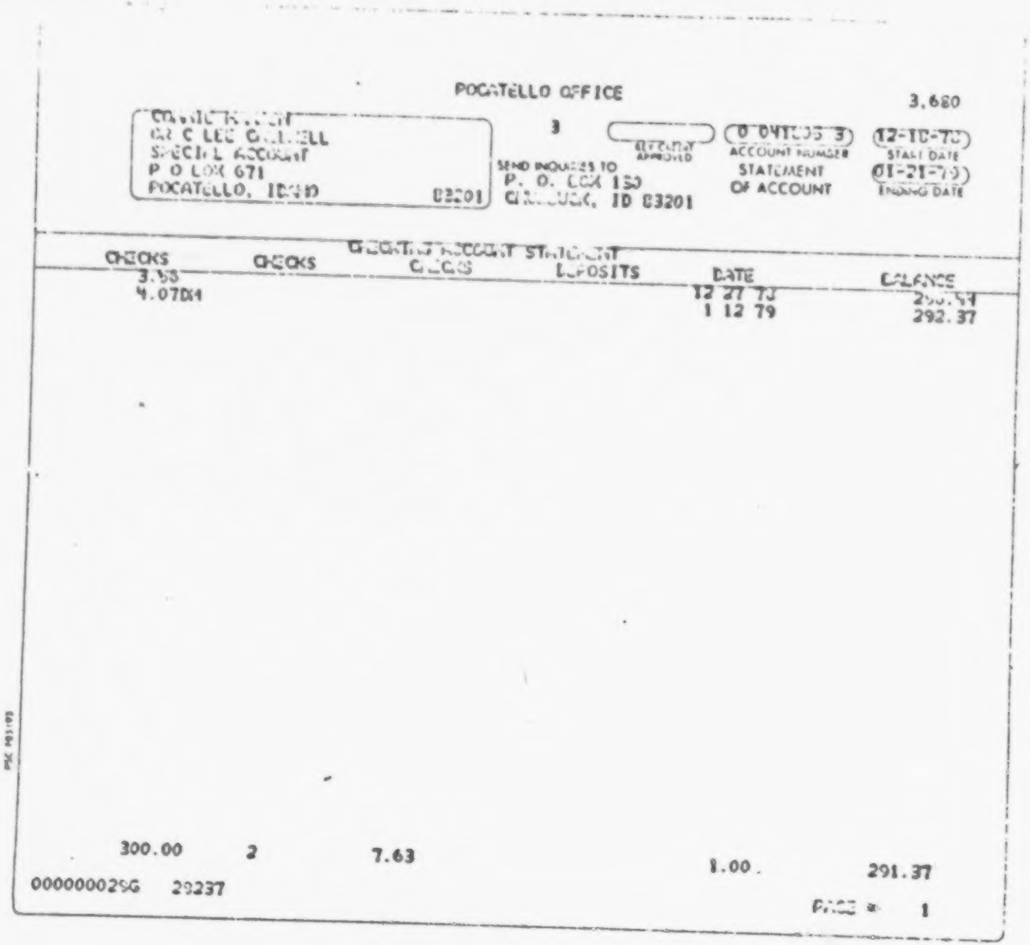
Jan 18 1979

Pay to the order of First Security Bank $125,000.00

One hundred twenty five thousand 00/100 Dollars

WEST CENTER OFFICE
Idaho Bank & Trust Co.
POCATELLO, IDAHO

For



POCATELLO OFFICE

3,680

[illegible]
[illegible] C LEE G[illegible]ELL
SPECIAL ACCOUNT
P O BOX 671
POCATELLO, IDAHO 83201

3

EFFICIENCY APPROVED

SEND INQUIRIES TO
P. O. BOX 150
[illegible], ID 83201

0 041[illegible] 3
ACCOUNT NUMBER

STATEMENT
OF ACCOUNT

12-18-78
START DATE

01-21-79
ENDING DATE

CHECKING ACCOUNT STATEMENT

CHECKS	CHECKS	CHECKS	DEPOSITS	DATE	BALANCE
3.55				12 27 78	2[illegible]
4.07DM				1 12 79	292.37

300.00 2 7.63 1.00 291.37

000000029G 29237

PAGE # 1

[illegible]

TO/TYPE [illegible]

FROM [illegible]

AMOUNT $125,000.00 IMD ADVICE IMD ADV

ADVICE

FIRST SEC BOISE/P CATELLO BR/CONNIE S HANSEN
CONTL CHGO/CARGILL INVESTORS SERVICE 72-05201

435-8309

72-05201

BRK.
CARGILL INVESTOR SERVICES, IN
141 W. JACKSON BLVD.
CHICAGO, IL. 60604
CUSTOMERS SEG. ACCT.
91359 [illegible] ACA 5335

WE CREDIT YOUR ACCOUNT FOR A TRANSFER OF FUNDS THROUGH THE FEDERAL RESERVE BANK

CONTINENTAL BANK
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
231 SOUTH LA SALLE STREET CHICAGO ILLINOIS 60693
TRANSFER OF FUNDS DIVISION
TRANSFER REQUEST 828-2200
INVESTIGATION UNIT 828-8285

AME Hansen, George V. or Connie S. NO. 04-11962 39

JOINT ACCOUNT I. D. 19-A

FIRST SECURITY BANK OF IDAHO, N. A.

low are duly authorized signatures, which you will recognize in payment of funds or the transac-
on of other business for our joint account. The conditions set forth on the reverse side of this
rd are hereby accepted and are part of this contract.

GNATURES George V. Hansen ADDRESS 137 Davis Drive
Connie S. Hansen

JSINESS OR OCCUPATION OF ACCOUNT State Representative STATEMENT TO BE MAILED ☐ HELD ☒

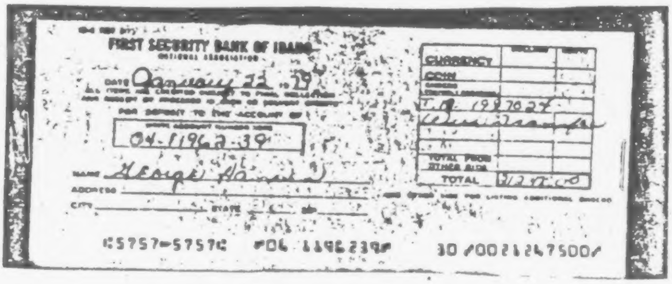
MARKS DATE OPENED 6-1-66

INITIAL DEPOSIT $300.00

TRODUCED BY / OPENED BY JH NO. OF SIGNATURES 2

AME

GOVERNMENT EXHIBIT 396



FIRST SECURITY BANK OF IDAHO
NATIONAL ASSOCIATION

DATE January 22, 19 79

FOR DEPOSIT TO THE ACCOUNT OF

04-11962-39

NAME George Hansen

ADDRESS

CITY STATE ZIP

CURRENCY		
COIN		
T.O. 1997024		
Wire transfer		
TOTAL FROM OTHER SIDE		
TOTAL	$125,000.00	

USE OTHER SIDE FOR LISTING ADDITIONAL CHECKS

⑆5757-5757⑆ ⑈04 11962 39⑈ 30 /0021247500/

$25,000.00 Washington, D.C., July 17, 1981

on demand or July 17, 1982 — — — after date, [redacted]

*[redacted] promise to pay to the order of O'DELL ROGERS and CARL McAFEE — — — — —

P.O. Box 698, Norton, Va. 24273 at Norton, Virginia — — — — — — — — —

Twenty-Five thousand and $\frac{no}{100}$ — — — — — — — — — — — — — — — — — — — DOLLARS,

with interest thereon at the rate of 20% per annum from July 17, 1981 — — — — — — until paid; interest to be paid on demand or July 17, 1982 and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

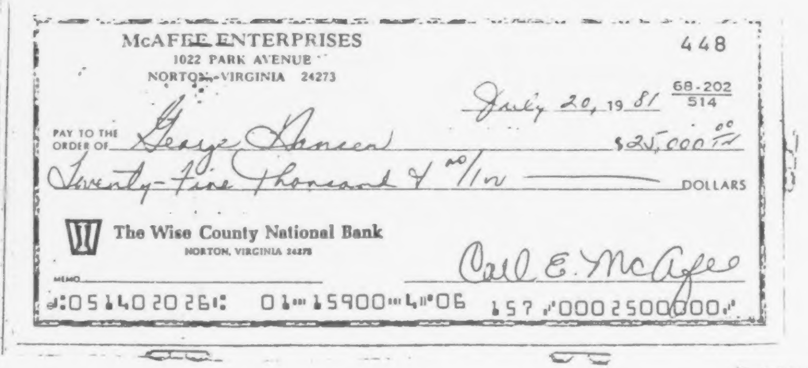
George V. Hansen

George V. Hansen
3307 No. Piedmont St.
Arlington, Virginia 22207

FORM No. 216—PROMISSORY NOTE. *Initialed two places for deletion.

TB STEVENS-NESS LAW PUB. CO., PORTLAND ORE

Carl E. McAfee



McAFEE ENTERPRISES
1022 PARK AVENUE
NORTON, VIRGINIA 24273

448

July 20, 19 81

68-202
514

PAY TO THE ORDER OF George Hansen $25,000 00/100

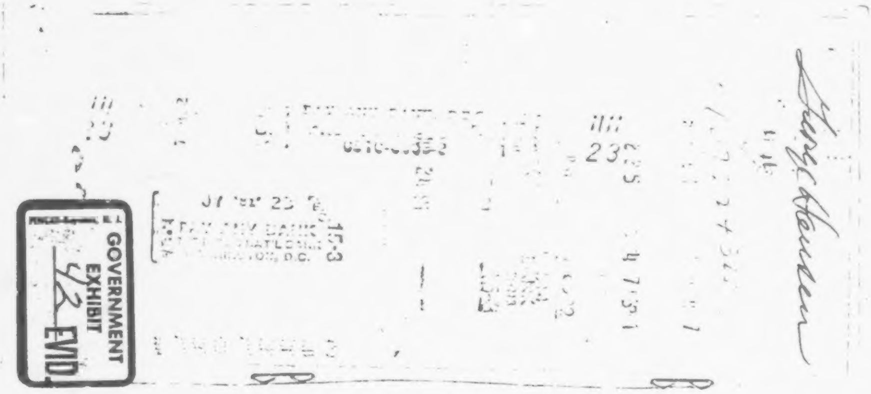
Twenty-five Thousand & no/100 DOLLARS

The Wise County National Bank
NORTON, VIRGINIA 24273

MEMO

Carl E. McAfee

:051402026: 01"15900"4"06 157 "0002500000"



George Hansen

GOVERNMENT EXHIBIT
42
EVID.

GRUNDY, VA [illegible] 19 ______ AMOUNT OF NOTE $ [illegible]

On Demand ______ after date [illegible] promise to

pay to Miners & Merchants Bank & Trust Company

or order, at **MINER'S & MERCHANT'S BANK & TRUST COMPANY**, Grundy, Virginia

[illegible] Dollars

with interest at the rate of [illegible] per cent per annum until paid at Miner's & Merchant's Bank & Trust Company, at any of its banking offices in the State of Virginia. FOR VALUE RECEIVED, having deposited as collateral security for the payment of this and any other liability, or liabilities whatsoever, contingent or otherwise, of the makers, endorsers and all other parties to this note and of each of them to the holder hereof now due or to become due, or that may hereafter be contracted, the following property (all or any part of which, together with any additions thereto, exchanges or substitutions therefor, is herein sometimes referred to as the "collateral"), to wit:

1/2 [illegible]

TELLER NO. 20
PAID
JUN 9 '83
Miners & Merchants
Bank & Trust

together with all stock dividends, dividends representing distribution of capital assets and rights to subscribe to additional stock to which the owner of the collateral is now or may hereafter become entitled, and upon demand therefor and notice by the holder, all interest on bonds and securities and dividends from earnings shall be paid to the holder hereof. The holder hereof is authorized and empowered to sell, transfer and rehypothecate the collateral, it being understood that on payment or tender of the amount so due the holder hereof may return to the maker the said collateral or an equal quantity of the same.

In case the collateral so pledged should at any time for any reason become inadequate in the sole judgment of the holder hereof the maker agrees to deposit or cause to be deposited with the holder such additional collateral as the holder may require to render the security for this debt adequate.

In the event of the failure to pay the debt hereby evidenced when due, or upon the failure to deposit additional or other collateral upon request, or upon application for the appointment of a Receiver for any party to this note, or upon any party to this note being adjudged a bankrupt, or upon the execution by any of them of an assignment for the benefit of his, its, or her creditors, or upon default in any of the terms of this note, then, at the option of the holder hereof, this note shall immediately become due and payable without demand or notice as though it had actually matured; and in any of these events, the holder is hereby authorized to sell at the Broker's Board, or at public or private sale, at the option of the holder, at any time or times thereafter, without demand, advertisement or notice, the above-mentioned collateral or any part thereof or any substitution therefor or any additions thereto or any property that may in any way now or may later come into the possession and custody of the holder either as a deposit with the holder or as security for this or any other liability of any party to this note to the holder, due or to become due, or that may be hereafter contracted.

It is also agreed that upon any sale or sales of any of the collateral, the holder may become the purchaser thereof absolutely free from any claim of any party to this note.

After deducting all legal or other costs and expenses of collection, sale and delivery, the holder is authorized to apply the residue of the proceeds of such sale or sales so made to the payment of the debt hereby evidenced and to such of the other liabilities above mentioned of any party to this note as the holder may deem proper, returning the remainder, if any, to the maker hereof and the parties hereto agree to be and remain liable to the holder hereof for any deficiency which may thereafter exist.

Each party to this note hereby waives demand, protest, presentment and notice of dishonor and they do further assent and agree that the holder hereof may, by agreement with any one or more of the parties hereto before, on or after maturity, extend the time of payment of this note, in whole or in part and from time to time, without in any wise affecting the liability otherwise imposed upon them by the terms of this note and by law. Homestead and all other exemptions are expressly waived by each party to this note and in case this note is not paid at maturity, the parties hereto agree to pay, in addition to the amount due hereunder, all expenses incurred in collecting the same, including an attorney's fee of fifteen per cent, if this note is collected by suit or attorney.

Witness our hand and seal.

Old No ______ New No ______

Due ______

Address ______

Carl E. McAfee (SEAL)

______ (SEAL)

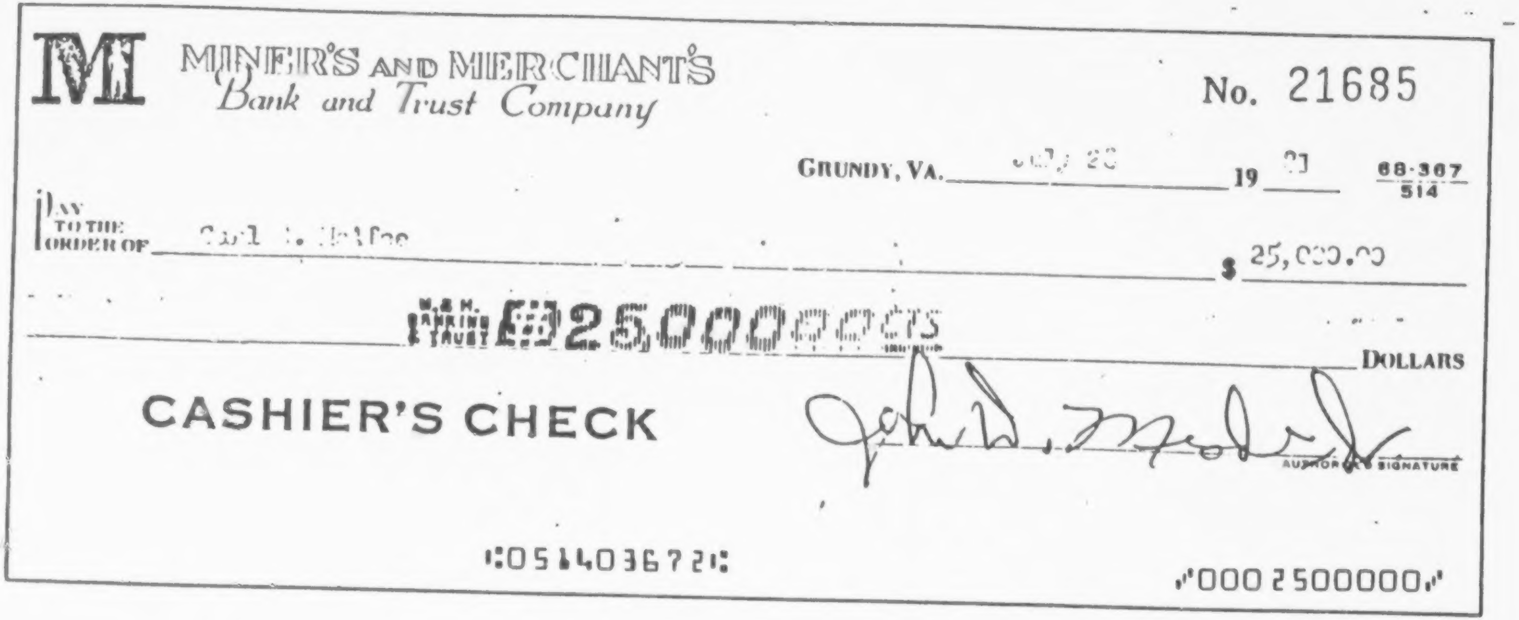
ENDORSEMENTS

The undersigned endorsers and each of them hereby expressly recognize and agree to all of the terms, provisions and stipulations set out on the face of this note, and further agree that any collateral deposited to secure it may be added to, substituted for, exchanged or surrendered without notice to them or any of them, without in any manner impairing their liability on this note.

Upon reciept of payment from George V. Hansen, this note is hereby assigned, transferred and delivered to George V. Hansen, this 9th day of June, 1983.

Miners & Merchants Bank & Trust Co.

By: Jackson E. Reasor, Jr.
President



MINER'S AND MERCHANT'S
Bank and Trust Company

No. 21685

GRUNDY, VA. July 20 19 91

68-367/514

PAY TO THE ORDER OF Carl [illegible] McAfee

$ 25,000.00

M & M BANKING TRUST $25,000 00 CTS DOLLARS

CASHIER'S CHECK

John D. M

AUTHORIZED SIGNATURE

⑆051403672⑆ ⑈0002500000⑈

For Deposit Only.
Carl E. McAfee

111 24102

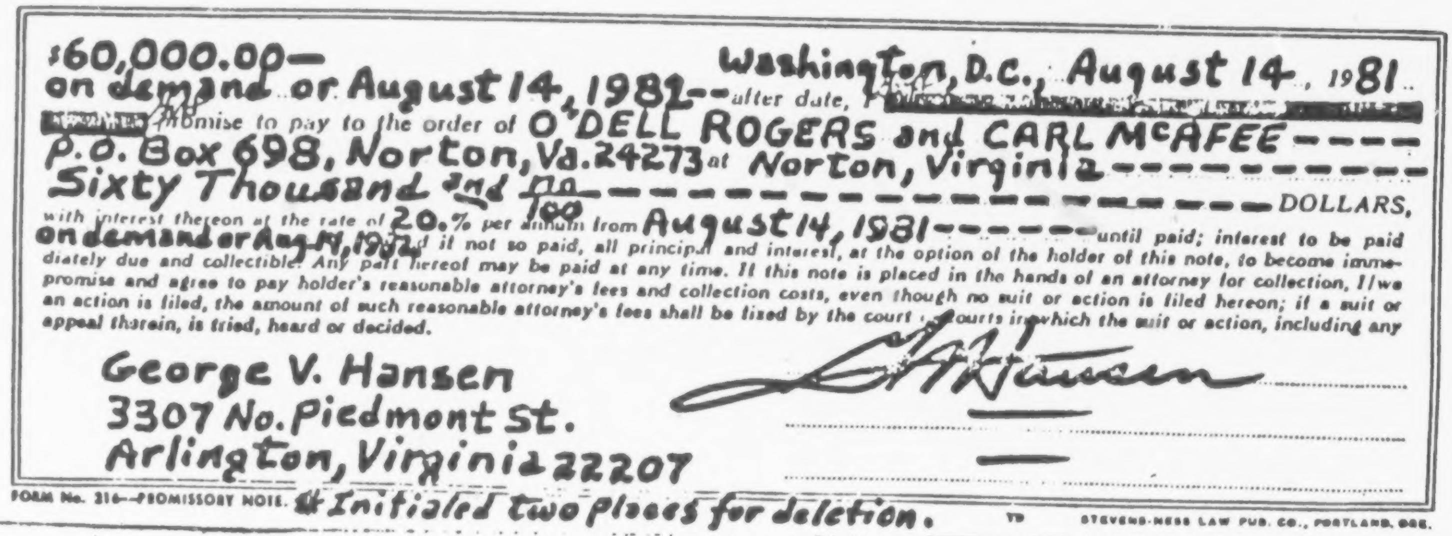
WISE CO.
NATIONAL BANK
NORTON, VIRGINIA
68-202
514

JUL 31 81

FRB RICHMOND

JUL 31

000914• 073181
000068-202
*0133427610 AN
0105 *25000008 D



$60,000.00— Washington, D.C., August 14, 1981

on demand or August 14, 1982-- after date, [redacted]

[redacted] GVH promise to pay to the order of O'DELL ROGERS and CARL McAFEE ----

P.O. Box 698, Norton, Va. 24273 at Norton, Virginia ------------

Sixty Thousand and no/100 ---------------------------- DOLLARS,

with interest thereon at the rate of 20.% per annum from August 14, 1981 -------- until paid; interest to be paid on demand or Aug 14, 1982 d if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

George V. Hansen
3307 No. Piedmont St.
Arlington, Virginia 22207

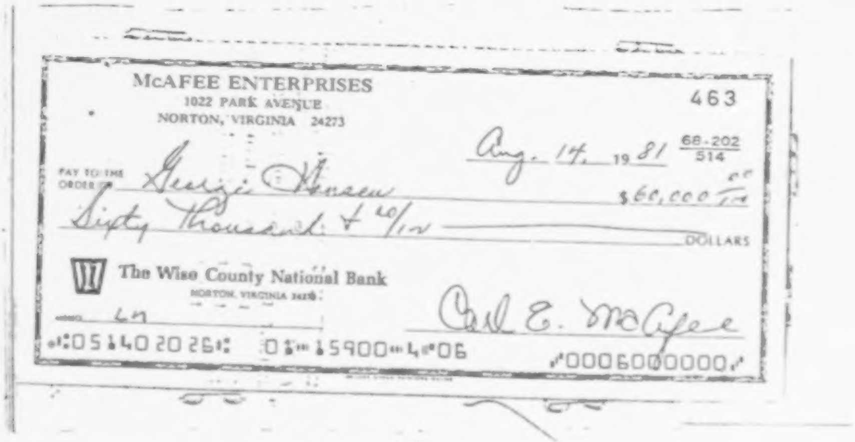
G V Hansen

FORM No. 216—PROMISSORY NOTE. # Initialed two places for deletion. STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

ASSIGN TO MINER'S & MERCHANTS BANK
AND TRUST COMPANY
GRUNDY, VA

Odell Rog
ODELL ROGERS

Carl E. McAfee
CARL E. McAFEE



McAFEE ENTERPRISES
1022 PARK AVENUE
NORTON, VIRGINIA 24273

463

Aug. 14, 19 81

68-202
514

PAY TO THE ORDER OF George Hansen $60,000 00/xx

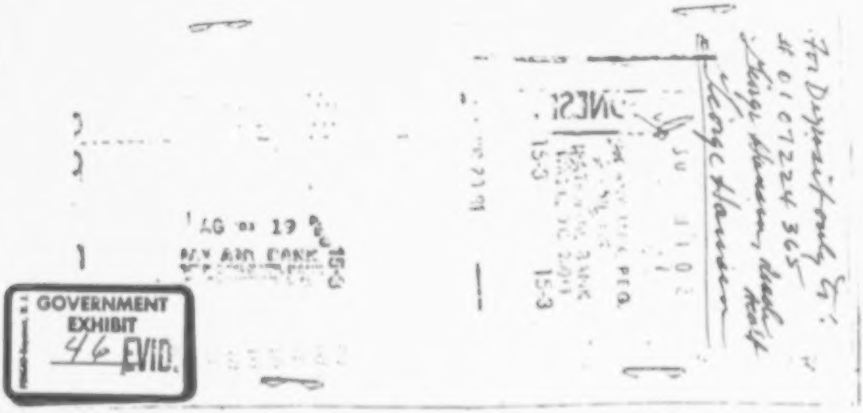
Sixty Thousand + 00/xx DOLLARS

The Wise County National Bank
NORTON, VIRGINIA 24273

LN

Carl E. McAfee

⑆051402026⑆ 01⑈15900⑈4⑈06 ⑆0006000000⑆



For Deposit only to:
0107224 365
George Hansen, trust acct
George Hansen

AG 81 19
15-3

GOVERNMENT EXHIBIT 46 EVID.

GRUNDY, VA 8-31 19 81 AMOUNT OF NOTE $ 60,000.00

On demand after date I promise to

pay to Miners and Merchants Bank + trust Co.

or order, at MINER'S & MERCHANT'S BANK & TRUST COMPANY, Grundy, Virginia

Sixty thousand + NO/100 Dollars

with interest at the rate of 20 per cent per annum until paid at Miner's & Merchant's Bank & Trust Company, at any of its banking offices in the State of Virginia. FOR VALUE RECEIVED, having deposited as collateral security for the payment of this and any other liability, or liabilities whatsoever, contingent or otherwise, of the makers, endorsers and all other parties to this note and of each of them to the holder hereof now due or to become due, or that may hereafter be contracted, the following property (all or any part of which, together with any additions thereto, exchanges or substitutions therefor, is herein sometimes referred to as the "collateral"), to-wit:

Note dated 8-14-81 due ON demand or August 4, 1982		
Payable to O'Dell Rogers + Carl McAffee for	$60,000.00	
with G.A. Hansen as maker.		

together with all stock dividends, dividends representing distribution of capital assets and rights to subscribe to additional stock to which the owner of the collateral is now or may hereafter become entitled, and upon demand therefor and notice by the holder, all interest on bonds and securities and dividends from earnings shall be paid to the holder hereof. The holder hereof is authorized and empowered to sell, transfer and rehypothecate the collateral, it being understood that on payment or tender of the amount so due the holder hereof may return to the maker the said collateral or an equal quantity of the same.

In case the collateral so pledged should at any time for any reason become inadequate in the sole judgment of the holder hereof the maker agrees to deposit or cause to be deposited with the holder such additional collateral as the holder may require to render the security for this debt adequate.

In the event of the failure to pay the debt hereby evidenced when due, or upon the failure to deposit additional or other collateral upon request, or upon application for the appointment of a Receiver for any party to this note, or upon any party to this note being adjudged a bankrupt, or upon the execution by any of them of an assignment for the benefit of his, its, or her creditors, or upon default in any of the terms of this note, then, at the option of the holder hereof, this note shall immediately become due and payable without demand or notice as though it had actually matured; and in any of these events, the holder is hereby authorized to sell at the Broker's Board, or at public or private sale, at the option of the holder, at any time or times thereafter, without demand, advertisement or notice, the above-mentioned collateral or any part thereof or any substitution therefor or any additions thereto or any property that may in any way now or may later come into the possession and custody of the holder either as a deposit with the holder or as security for this or any other liability of any party to this note to the holder, due or to become due, or that may be hereafter contracted.

It is also agreed that upon any sale or sales of any of the collateral, the holder may become the purchaser thereof absolutely free from any claim of any party to this note.

After deducting all legal or other costs and expenses of collection, sale and delivery, the holder is authorized to apply the residue of the proceeds of such sale or sales so made to the payment of the debt hereby evidenced and to such of the other liabilities above mentioned of any party to this note as the holder may deem proper, returning the remainder, if any, to the maker hereof and the parties hereto agree to be and remain liable to the holder hereof for any deficiency which may thereafter exist.

Each party to this note hereby waives demand, protest, presentment and notice of dishonor and they do further assent and agree that the holder hereof may, by agreement with any one or more of the parties hereto before, on or after maturity, extend the time of payment of this note, in whole or in part and from time to time, without in any wise affecting the liability otherwise imposed upon them by the terms of this note and by law. Homestead and all other exemptions are expressly waived by each party to this note and in case this note is not paid at maturity, the parties hereto agree to pay, in addition to the amount due hereunder, all expenses incurred in collecting the same, including an attorney's fee of fifteen per cent, if this note is collected by suit or attorney.

Witness ______ hand and seal

Old No. __________ New No. __________

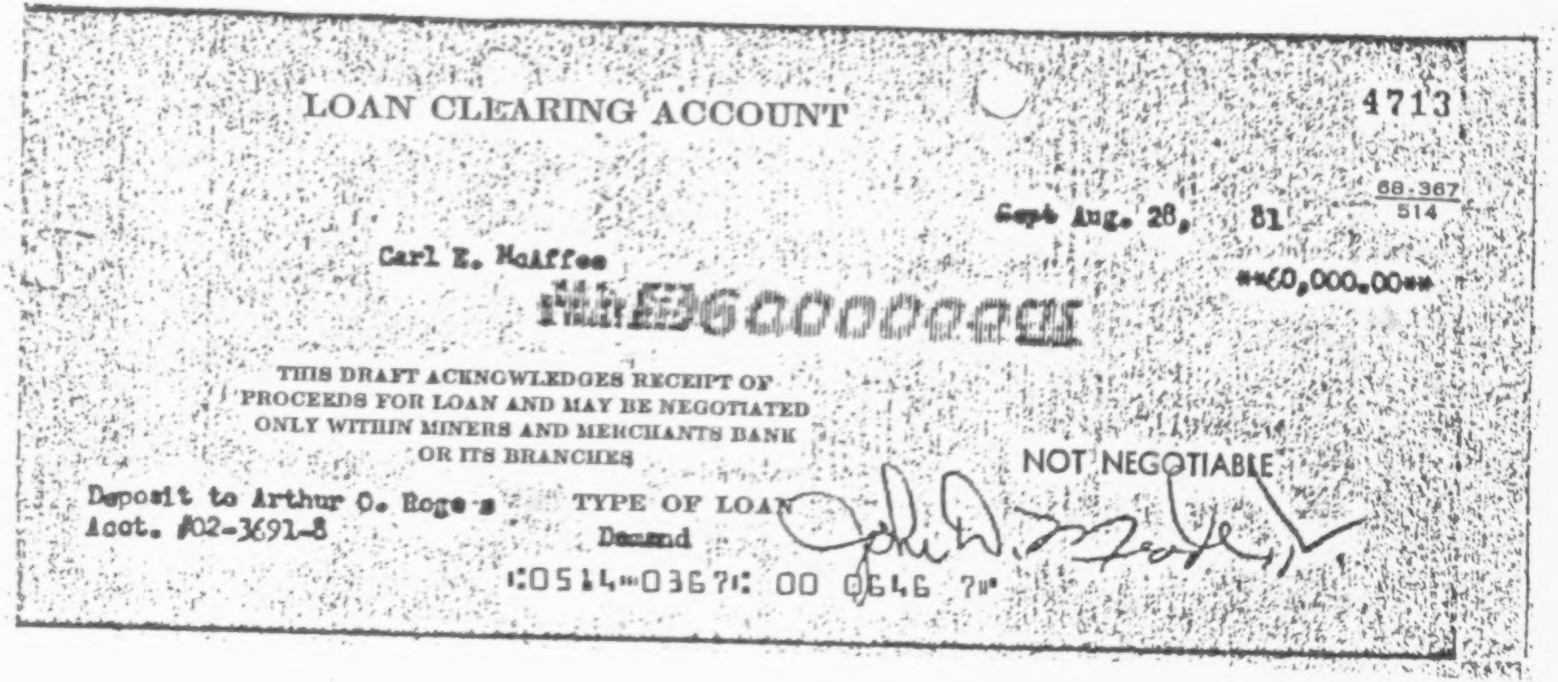
Due

Address P.O. Box 648 Norton, Va. 24273

Carl E. McAffee (SEAL)

______________________ (SEAL)

2-B



LOAN CLEARING ACCOUNT

4713

~~Sept~~ Aug. 28, 81

$\frac{68\text{-}367}{514}$

Carl E. McAffee

60,000.00

[illegible]

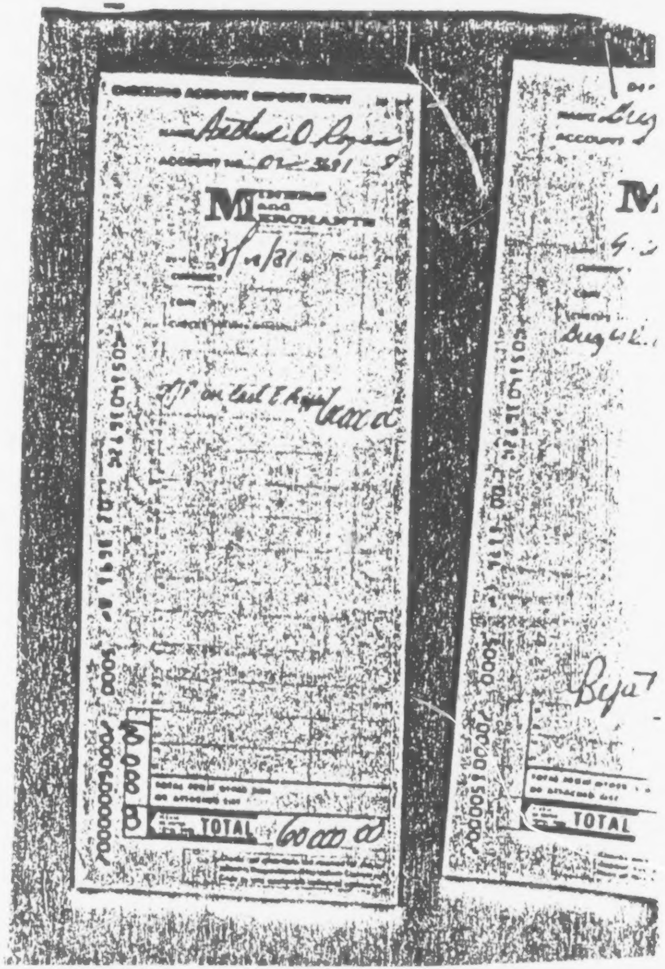
THIS DRAFT ACKNOWLEDGES RECEIPT OF
PROCEEDS FOR LOAN AND MAY BE NEGOTIATED
ONLY WITHIN MINERS AND MERCHANTS BANK
OR ITS BRANCHES

NOT NEGOTIABLE

Deposit to Arthur O. Rogers
Acct. #02-3691-8

TYPE OF LOAN
Demand

⑆0514⑉0367⑆: 00 0646 7⑈



CHECKING ACCOUNT DEPOSIT TICKET

NAME Arthur O. Ryan

ACCOUNT NO. 02-3691 9

MINERS and MERCHANTS

9/ /81

Tr on Carl E. Ryan 60000 00

60,000 00

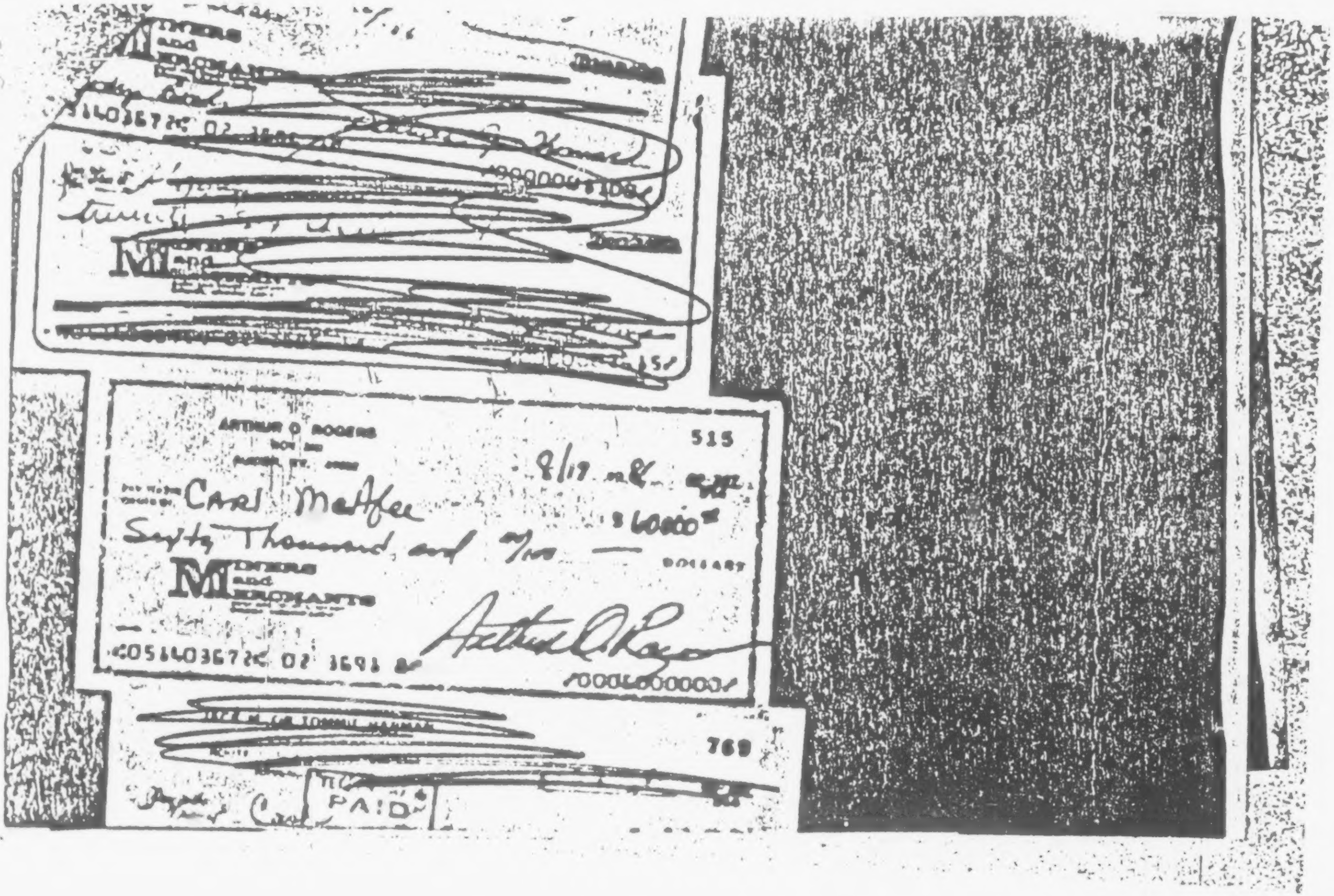
TOTAL 60000 00

0514036?26 02 3691 8 5000 /0006000000/

M

TOTAL

0514036?26 00 3691 5000 /0000150000/



[redacted]

[redacted]

ARTHUR O. ROGERS

515

8/17 82

PAY TO THE ORDER OF Carl McAfee $ 60000.00

Sixty Thousand and 00/100 — DOLLARS

MINERS AND MERCHANTS

Arthur O. Rogers

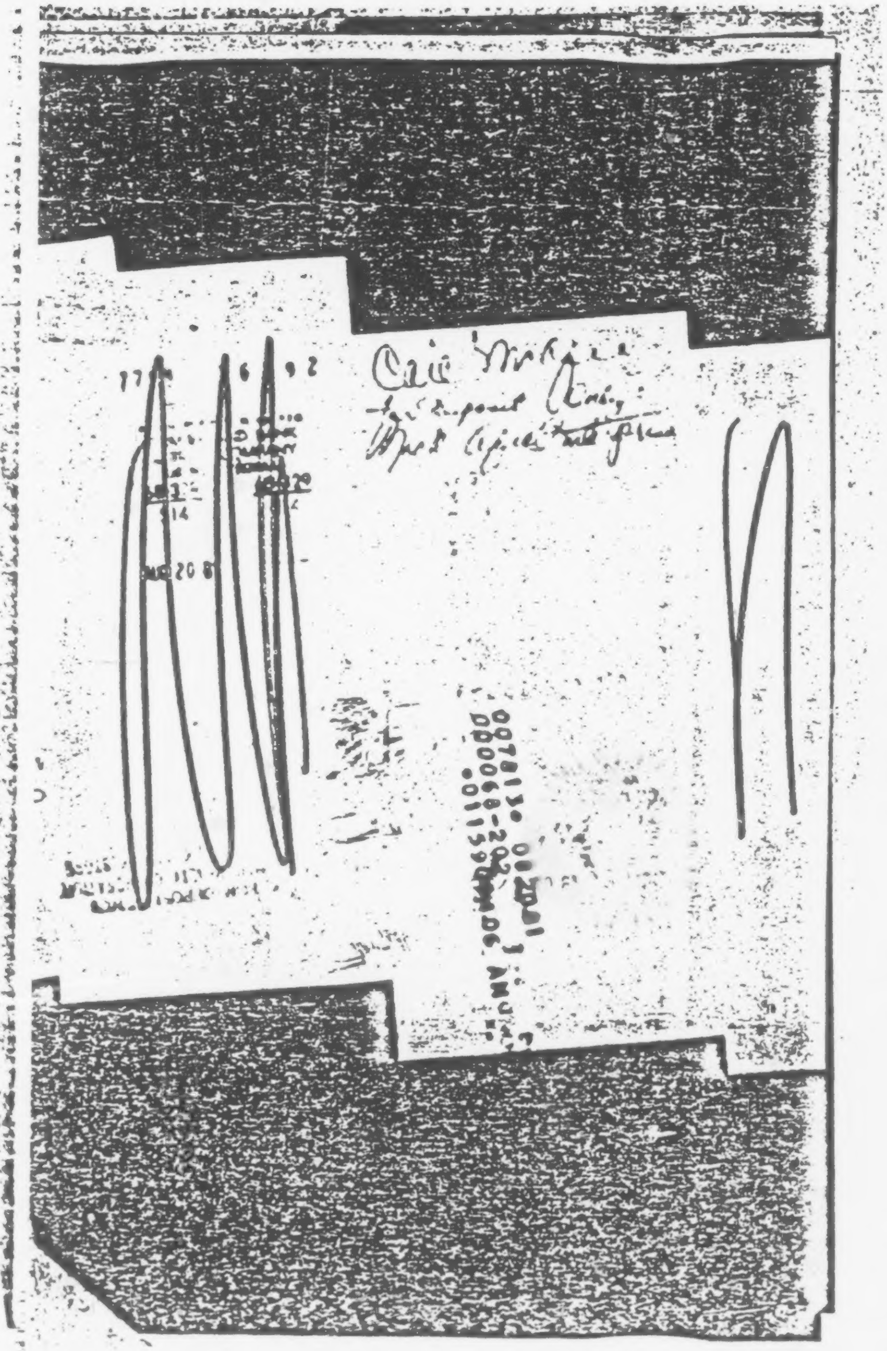
⑆051403672⑆ 02 3691 8

/0006000000/

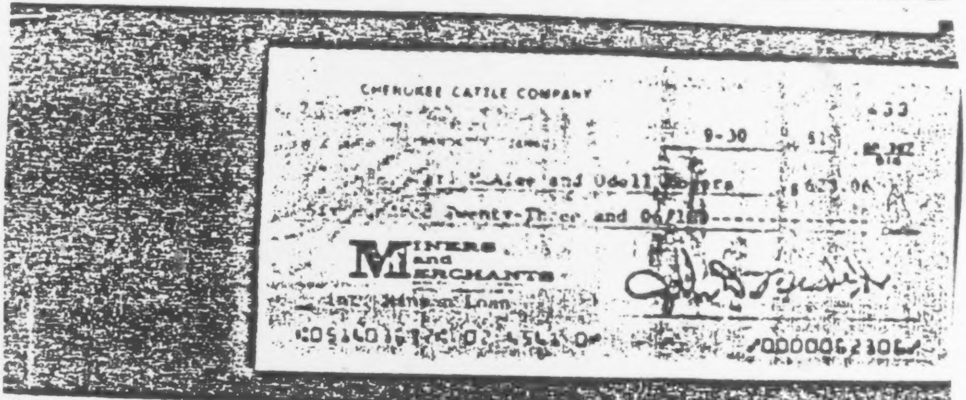
[redacted]

769

PAID



for deposit only



CHEROKEE CATTLE COMPANY

233

9-30

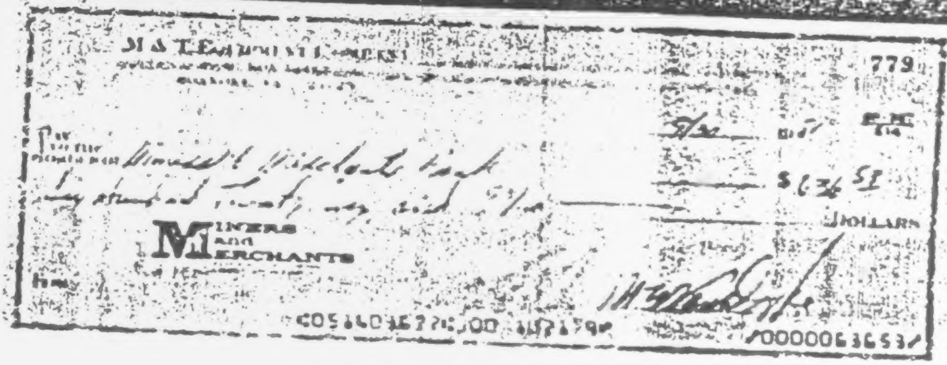
Pay to the order of [illegible] McAfee and Odell [illegible] $623.06

Six Hundred Twenty-Three and 06/100

MINERS and MERCHANTS

Installment Loan

/0000062306/



779

$636 53

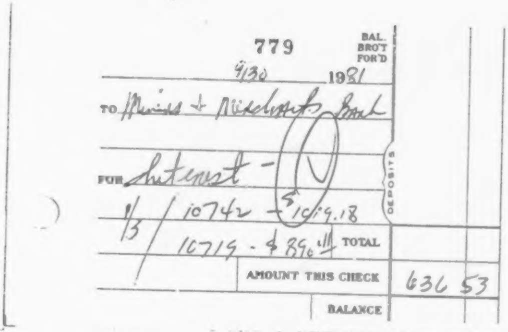
Miners & Merchants Bank

Six hundred thirty-six and 53/100

DOLLARS

MINERS and MERCHANTS

/0000063653/



779

BAL.
BRO'T
FOR'D

9/30 1981

TO Miners & Merchants Bank

FOR Interest -

1/3 / 10742 - $1019.18

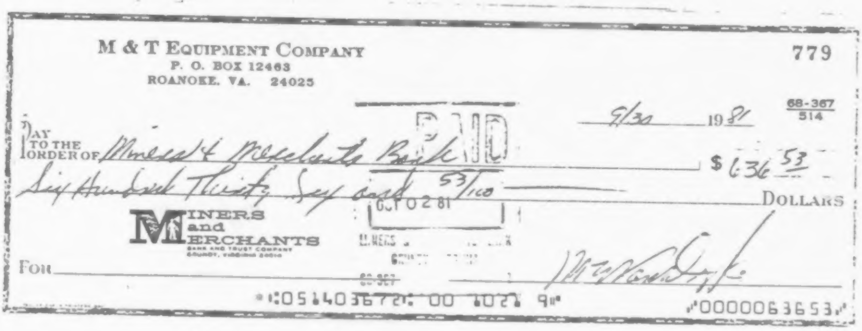
10719 - $896.11

DEPOSITS

TOTAL

AMOUNT THIS CHECK 636 53

BALANCE



M & T EQUIPMENT COMPANY
P. O. BOX 12463
ROANOKE, VA. 24025

779

9/30 1981

68-367
514

PAY TO THE ORDER OF Miners & Merchants Bank $ 636 53/100

Six Hundred Thirty Six and 53/100 DOLLARS

MINERS and MERCHANTS
BANK AND TRUST COMPANY

PAID
OCT 02 81
MINERS
68-367

FOR

⑈051403672⑆ 00 1027 9⑈ ⑈0000063653⑈

GRUNDY, VA November 21 19 81

AMOUNT OF NOTE $ 50,000.00

On Demand after date I/WE promise to pay to

or order, at MINER'S & MERCHANT'S BANK & TRUST COMPANY, Grundy, Virginia

Fifty Thousand and no/100-- Dollars

with interest at the rate of prime plus 1% per cent per annum until paid at Miner's & Merchant's Bank & Trust Company, at any of its banking offices
in the State of Virginia. FOR VALUE RECEIVED, having deposited as collateral security for the payment of this and any other liability or liabilities
whatsoever, contingent or otherwise, of the makers, endorsers and all other parties to this note and of each of them to the holder hereof now due or
to become due, or that may hereafter be contracted, the following property (all or any part of which, together with any additions thereto, exchanges
or substitutions therefor, is herein sometimes referred to as the "collateral"), to-wit:

together with all stock dividends, dividends representing distribution of capital assets and rights to subscribe to additional stock to which the owner of the col-
lateral is now or may hereafter become entitled, and upon demand therefor and notice by the holder, all interest on bonds and securities and dividends from
earnings shall be paid to the holder hereof. The holder hereof is authorized and empowered to sell, transfer and rehypothecate the collateral, it being understood
that on payment or tender of the amount so due the holder hereof may return to the maker the said collateral or an equal quantity of the same.

In case the collateral so pledged should at any time for any reason become inadequate in the sole judgment of the holder hereof the maker agrees to deposit
or cause to be deposited with the holder such additional collateral as the holder may require to render the security for this debt adequate.

In the event of the failure to pay the debt hereby evidenced when due, or upon the failure to deposit additional or other collateral upon request, or upon
application for the appointment of a Receiver for any party to this note, or upon any party to this note being adjudged a bankrupt, or upon the execution by any
of them of an assignment for the benefit of his, its, or her creditors, or upon default in any of the terms of this note, then, at the option of the holder hereof, this
note shall immediately become due and payable without demand or notice as though it had actually matured; and in any of these events, the holder is hereby
authorized to sell at the Broker's Board, or at public or private sale, at the option of the holder, at any time or times thereafter, without demand, advertisement
or notice, the above-mentioned collateral or any part thereof or any substitution therefor or any additions thereto or any property that may in any way now or
may later come into the possession and custody of the holder either as a deposit with the holder or as security for this or any other liability of any party to this
note to the holder, due or to become due, or that may be hereafter contracted.

It is also agreed that upon any sale or sales of any of the collateral, the holder may become the purchaser thereof absolutely free from any claim of any
party to this note.

After deducting all legal or other costs and expenses of collection, sale and delivery, the holder is authorized to apply the residue of the proceeds of such
sale or sales so made to the payment of the debt hereby evidenced and to such of the other liabilities above mentioned of any party to this note as the holder
may deem proper, returning the remainder, if any, to the maker hereof and the parties hereto agree to be and remain liable to the holder hereof for any deficiency
which may thereafter exist.

Each party to this note hereby waives demand, protest, presentment and notice of dishonor and they do further assent and agree that the holder hereof
may, by agreement with any one or more of the parties hereto before, on or after maturity, extend the time of payment of this note, in whole or in part and from
time to time, without in any wise affecting the liability otherwise imposed upon them by the terms of this note and by law. Homestead and all other exemptions
are expressly waived by each party to this note and in case this note is not paid at maturity, the parties hereto agree to pay, in addition to the amount due here-
under, all expenses incurred in collecting the same, including an attorney's fee of fifteen per cent, if this note is collected by suit or attorney.

Witness ______ hand and seal

Old No ________ New No ________

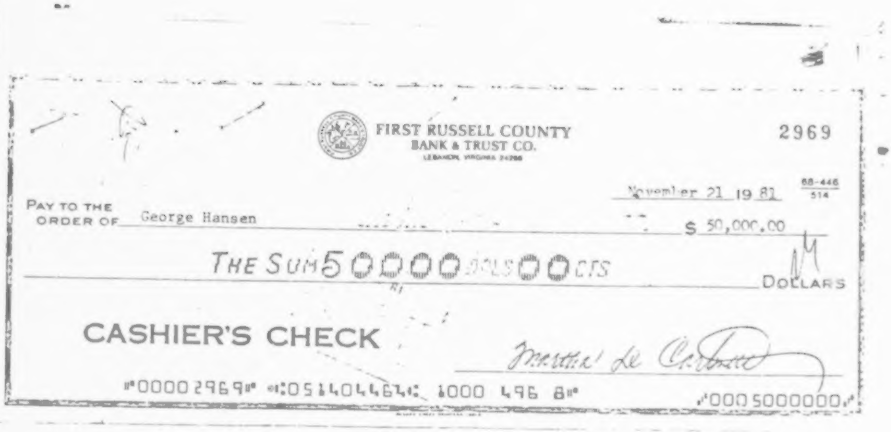
Due ________ (SEAL)

Address 3307 N Piedmont st. Arlington, Va. 22207

________ (SEAL)

(ENDORSEMENT)

The undersigned endorsers and each of them hereby expressly recognize and agree to all of the terms, provisions and stipulations set out on the face of this note, and further agree that any collateral deposited thereunder may be added to, substituted for, exchanged or surrendered without notice to them or any of them, without in any manner impairing their liability on this note.



FIRST RUSSELL COUNTY
BANK & TRUST CO.
LEBANON, VIRGINIA 24266

2969

November 21 19 81

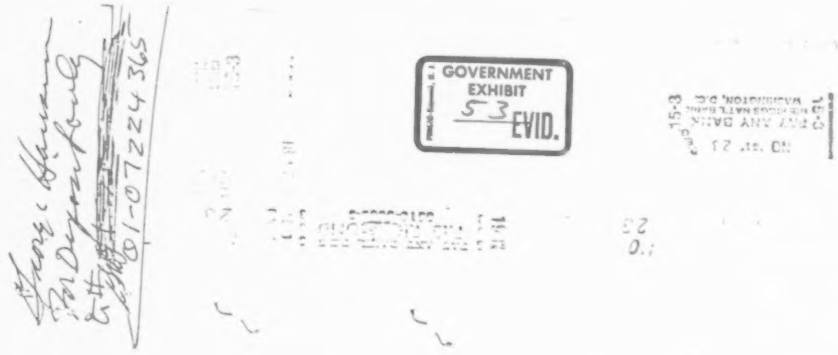
68-446
514

PAY TO THE ORDER OF George Hansen $ 50,000.00

THE SUM 50000 DOLS 00 CTS DOLLARS

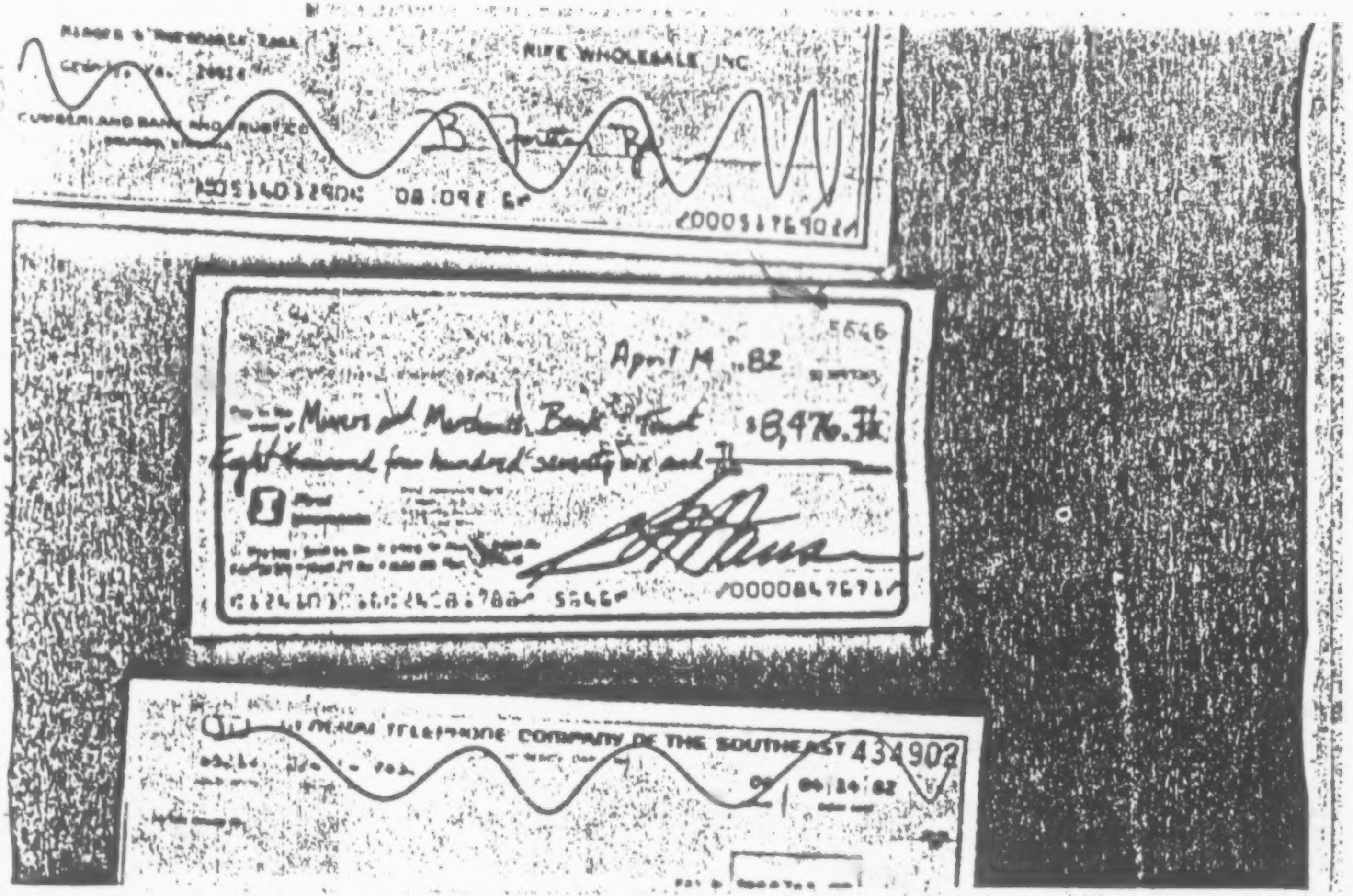
CASHIER'S CHECK

⑈0000 2969⑈ ⑆051404464⑆ 1000 496 8⑈ ⑈0005000000⑈



George Hansen
For Deposit Only
Acct # 01-07224365

GOVERNMENT
EXHIBIT
53 EVID.



RIFE WHOLESALE INC

CUMBERLAND BANK AND TRUST CO

08.098 6

/0000387902/

5646

April 14 19 82

Miners and Merchants Bank & Trust $8,476.76

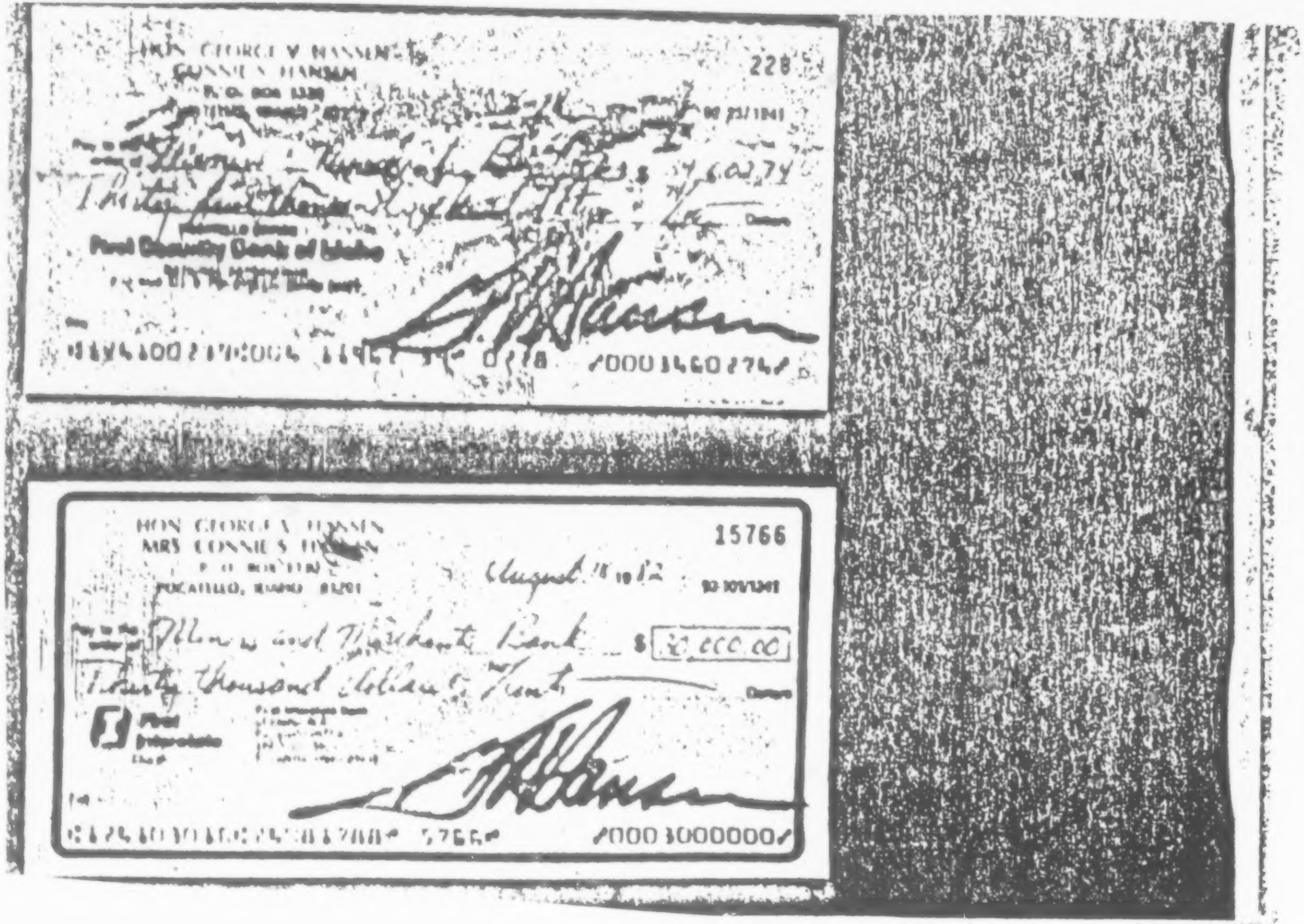
Eight thousand four hundred seventy six and 76

5646

/0000847676/

GENERAL TELEPHONE COMPANY OF THE SOUTHEAST 434902

04 24 82



HON. GEORGE V. HANSEN
CONNIE S. HANSEN

228

Thirty four thousand

$34,602.74

First Security Bank of Idaho

G. V. Hansen

/0003460274/

HON GEORGE V. HANSEN
MRS CONNIE S. HANSEN
POCATELLO, IDAHO 83201

15766

August 18 1982

Farmers and Merchants Bank

$30,000.00

Thirty thousand dollars & cents

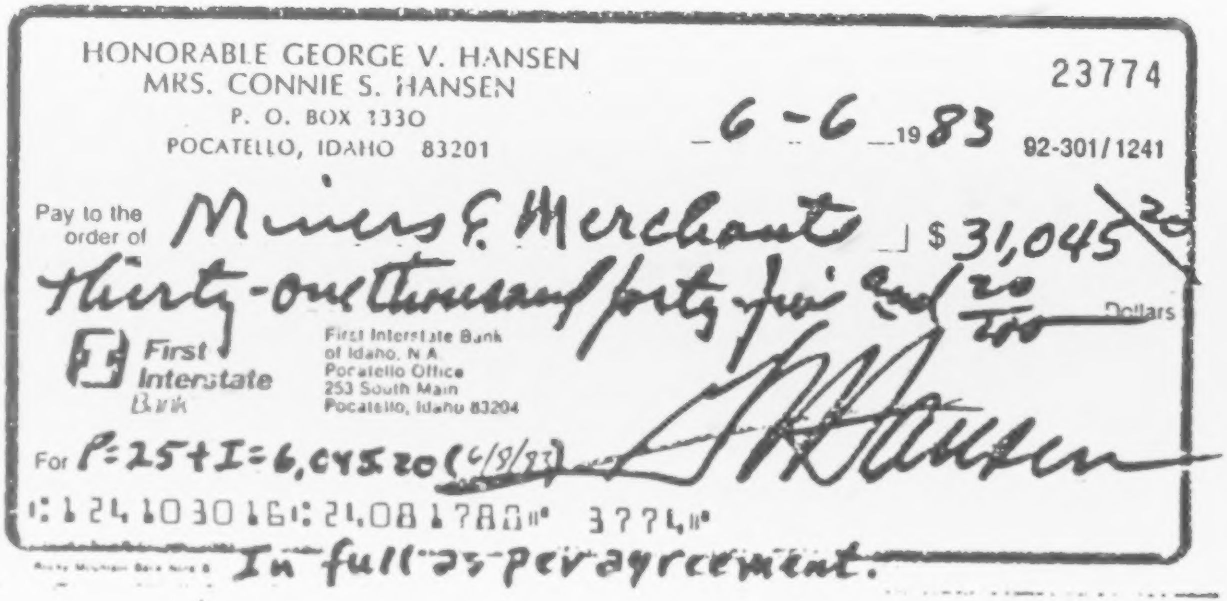
Dollars

First Interstate Bank

G. V. Hansen

15766

/0003000000/



HONORABLE GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
P. O. BOX 1330
POCATELLO, IDAHO 83201

23774

6-6 19 83

92-301/1241

Pay to the order of Miners & Merchants $ 31,045 $\frac{20}{100}$

Thirty-one thousand forty-five and $\frac{20}{100}$ Dollars

First Interstate Bank

First Interstate Bank
of Idaho, N.A.
Pocatello Office
253 South Main
Pocatello, Idaho 83204

For P=25 + I=6,045.20 (6/9/83)

Hansen

⑆1241030161⑆ 24081780⑈ 3774⑈

In full as per agreement.

marriage settlement containing stipulations contrary thereto. [1867, p. 65, § 15; R. S., § 2508; reen. R. C. & C. L., § 2689; C. S., § 4670; I. C. A., § 31-917.]

32-917. **Formalities required of marriage settlements.**—All contracts for marriage settlements must be in writing, and executed and acknowl- edged or proved in like manner as conveyances of land are required to be executed and acknowledged or proved. [1867, p. 65, § 16; R. S., § 2509; reen. R. C. & C. L., § 2690; C. S., § 4671; I. C. A., § 31-918.]

Comp. leg. Ark. Stat. 1947, §§ 55-301—55-308.

Cal. Deering's Codes, Civil Code, §§ 178-181.

Tenn. Code Ann., §§ 64-2405, 64-2406.

Collateral Reference.

Attorney's compensation for services in connection with antenuptial agreement, amount of. 143 A. L. R. 837.

32-918. **Marriage settlements—Record.**—When such contract is ac- knowledged or proved, it must be recorded in the office of the recorder of every county in which any real estate may be situated which is granted or affected by such contract. [1867, p. 65, § 17; R. S., § 2510; reen. R. C. & C. L., § 2691; C. S., § 4672; I. C. A., § 31-919.]

32-919. **Marriage settlements—Effect of record.**—The recording or nonrecording of such contract has a like effect as the recording or nonrecording of a conveyance of real property. [1867, p. 65, § 18; R. S., § 2511; reen. R. C. & C. L., § 2692; C. S., § 4673; I. C. A., § 31-920.]

Cross ref. Effect of record of conveyance, § 55-811.

32-920. **Marriage settlements—Capacity of minor.**—A minor capable of contracting marriage may make a valid marriage settlement. [1867, p. 65, § 20; R. S., § 2512; reen. R. C. & C. L., § 2693; C. S., § 4674; I. C. A., § 31-921.]

CHAPTER 10

PARENT AND CHILD

SECTION.

32-1001. Allowance to parent for support of child.
32-1002. Reciprocal duties of support.
32-1003. Liability of parent for child's necessaries.
32-1004. Wages of minors.
32-1005. Custody of children after separation of parents.
32-1006. Legitimation of issue by marriage.
32-1007. Rights of parents over children.

32-1001. **Allowance to parent for support of child.**—The proper court may direct an allowance to be made to the parent of a child, out of its property for its past or future support and education, on such conditions as may be proper, whenever such direction is for its benefit. [R. S., § 2530; reen. R. C. & C. L., § 2694; C. S., § 4675; I. C. A., § 31-1001.]

Cross ref. Adopted children, legal relationship, § 16-1508; duties of natural parents released, § 16-1509.

Adoption of children by home-finding societies, § 16-1601 et seq.

Delinquent children, youth rehabilitation, § 16-1801 et seq.

Heirship of illegitimate children, § 14-104.

GOVERNMENT
EXHIBIT
64 EVID.

use and benefit of her own separate property. Hall v. Johns, 17 Idaho 224, 105 Pac. 71.

Where husband is almost continuously absent, and wife carries on business with her own funds and remittances occasionally received by him, and in such business acquires property which she mortgages, she can not say as against her creditors that such property is community property. Sassaman v. Root, 37 Idaho 588, 218 Pac. 374.

Collateral Reference.

Gift or other voluntary transfer of community property by husband as fraud on wife. 49 A. L. R. (2d) 521.

32-913. Wife's control of part of community property.—The wife has the management and control of the earnings for her personal services, and the rents and profits of her separate estate. [R. C., § 2686a, as added by 1915, ch. 75, § 2, p. 187; reen. C. L., § 2686a; C. S., § 4667; I. C. A., § 31-914.]

Cross ref. Control of community property when husband or wife insane, § 15-2001 et seq.

Exemption from execution against husband, § 11-204.

ANALYSIS

Suretyship contracts.
Wife's earnings.

Suretyship Contracts.

This section is for the protection of married women and leaves them free to deal with their separate property as they see fit but they may not involve their separate property or make it liable except for their sole use and benefit, and this rule applies to appeal bonds. Craig v. Lane, 60 Idaho 178, 89 Pac. (2d) 1008.

Wife's Earnings.

Money earned by married woman as laborer in orchards and packing houses or in caring for pasture of her stepfather, all while living with her husband, is community property, of which she has the management and control. McMillan v. United States Fire Ins. Co., 48 Idaho 163, 280 Pac. 220.

32-914. Curtesy and dower abolished.—No estate is allowed the husband tenant by curtesy upon the death of his wife, nor is any estate in dower allotted to the wife upon the death of her husband. [1867, p. 65, § 10; R. S., § 2506; reen. R. C. & C. L., § 2687; C. S., § 4668; I. C. A., § 31-915.]

Cross ref. Devolution of community property, § 14-113.

Inheritance of husband and wife from each other, § 14-103.

Cited in: France v. Connor, 161 U. S. 65, 40 L. ed. 619, 16 Sup. Ct. 497.

32-915. Support of infirm husband.—The wife must support the husband out of her separate property when he has no separate property, and they [have] no community property, and he from infirmity is not able or competent to support himself. [R. S., § 2507; reen. R. C. & C. L., § 2688; C. S., § 4669; I. C. A., § 31-916.]

Compiler's note. The word "have" was inserted by the compiler to correct grammatical error.

ANALYSIS

Maintenance of family.
Support of husband.

Maintenance of Family.

Wife is under no obligation to maintain family out of her separate estate, except as provided in this section. Hall v. Johns, 17 Idaho 224, 105 Pac. 71.

Support of Husband.

If the husband becomes unable or incompetent to support himself, and has neither separate nor community property, the wife must support him out of her separate property. Clark v. Utah Constr. Co., 51 Idaho 587, 8 Pac. (2d) 454.

32-916. Property rights governed by chapter.—The property rights of husband and wife are governed by this chapter, unless there is a

13774
# 967-FA

717

WARRANTY DEED

582754

For Value Received

BILL E. JONES AND SUE K. JONES, HUSBAND & WIFE

the grantors, do hereby grant, bargain, sell and convey unto

GEORGE V. HANSEN AND CONNIE S. HANSEN, HUSBAND & WIFE

whose current address is

7529 SOUTH FAIRWAY

the grantees, the following described premises, in BANNOCK County Idaho, to wit:

LOT 31 BLOCK 1 OF THE FAIRWAY ESTATES THIRD ADDITION AS THE SAME APPEARS ON THE OFFICIAL PLAT THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF BANNOCK COUNTY, IDAHO...

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantees, their heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantees, that they the owners in fee simple of said premises; that they are free from all incumbrances except matters of public records.

and that they will warrant and defend the same from all lawful claims whatsoever.

Dated: 24 AUGUST, 1977

X Bill E. Jones
Bill E. Jones

Sue K. Jones
Sue K. Jones

STATE OF IDAHO, COUNTY OF Bannock

On this 24th day of August, 1977, before me, a notary public in and for said State, personally appeared

NOTARY SEAL

Bill E. Jones and Sue K. Jones
H&W

known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

Notary Public

Residing at Pocatello, Idaho

Comm. Expires May 8, 1979

582754
RECORDED AT REQUEST OF
First Am. Title
Aug 25 3 10 PM '77
[illegible] 307
BANNOCK COUNTY, IDAHO
[illegible] RECORDER
FEE 1.00 DEPUTY [illegible]

GOVERNMENT EXHIBIT
66 EVID.

= 807FA

4-1

718 DEED OF TRUST 582755

THIS DEED OF TRUST is made this........25th............day of........August........ 19..77, among the Grantor,...George V. Hansen and Connie R. Hansen, Husband and Wife..... ....(herein "Borrower"),............................... .....American Land Title Company..........................(herein "Trustee"), and the Beneficiary, ...First Security Bank of Idaho, National Association.........., a corporation organized and existing under the laws of.............Idaho........................., whose address is.................. .....P. O. Box 711, Pocatello, Idaho...83201.....................(herein "Lender").

Borrower in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of .....Bannock..............................State of Idaho:

Lot 31, Block 1, Fairway Estates 3rd Addition, according to the official plat thereof recorded in Book 8 of Plats, page 33, records of Bannock County, Idaho...

which has the address of..............2529 South Fairway.........., ...Pocatello.........
(Street) (City)

.....Idaho.......83201......(herein "Property Address");
(State and Zip Code)

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

To Secure to Lender (a) the repayment of the indebtedness evidenced by Borrower's note dated.......... .....August 25, 1977.....(herein "Note"), in the principal sum of...Fifty three thousand six..... .....hundred and no/100——————————.Dollars, with interest thereon, providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on .....September 1, 2006......................; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances").

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

721 4-4 582755

Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

21. **Future Advances.** Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

22. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

23. **Substitute Trustee.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

24. **Area and Location of Property.** Either the Property is not more than twenty acres in area or the Property is located within an incorporated city or village.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

G V Hansen
George V. Hansen —Borrower

Connie S Hansen
Connie S. Hansen —Borrower

STATE OF IDAHO, Bannock County ss:

On this 25th day of August 19 77, before me Larry R. Bell, a Notary Public in and for said county and state, personally appeared George V. Hansen and Connie S. Hansen, Husband and Wife, known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that they executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY SEAL

Pat S. Fett
Notary Public residing at Pocatello, Idaho

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

NO. 582755
RECORDED AT REQUEST OF
First Am Title
AUG 25 3 10 PM '77
307
[illegible]
FEE 5.00 DEPUTY [illegible]

2nd Deed of Trust

4-1

1-24044-JN

735 DEED OF TRUST

595724

THIS DEED OF TRUST is made this . . 15th . . . . day of . . March . . . .
19 78 among the Grantor, George V. Hansen and Connie S. Hansen, Husband and Wife . . . .
. . . . (herein "Borrower"), ...
Security Savings and Loan . . . . (herein "Trustee"), and the Beneficiary,
First Security Bank of Idaho National Association . . . . a corporation organized and
existing under the laws of . . . . . . Idaho . . . . whose address is . . . P.O. Box 71 , .
. . . . . Pocatello, Idaho 83201 . . . . (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of . . . . Bannock . . . . State of Idaho:

Lot 31, Block 1, Fairway Estates Third Addition, Bannock County, Idaho, as the same appears on the official plat thereof, filed in the office of the County Recorder of Bannock County, Idaho...

which has the address of . . . . 2529 South Fairway Drive . . . . Pocatello . . . .
(Street) (City)
Idaho 83201 . . . . (herein "Property Address");
(State and Zip Code)

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by Borrower's note dated March 15, 1978 . . . . (herein "Note"), in the principal sum of Nine Thousand Two Hundred . . . . Dollars and no/100------------------------------- Dollars, with interest thereon, providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on April 1, 1993 . . . . ; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained; and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances").

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

738 11 4 595724

[illegible] this Deed of Trust and the obligations [illegible] had occurred.

Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower [illegible] to Lender the rents of the Property, [illegible] prior to acceleration under paragraph 18 [illegible] rents as they become due and payable. [illegible] the Property, Lender, in person, by agent or by [illegible] to enter upon, take possession of and manage the Property and to collect the rents of the Property [illegible] All rents collected by Lender or the receiver shall be applied first to [illegible] of the Property and collection of rents, including, but not limited to, receiver's fees, [illegible] and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender [illegible] shall be liable to account only for those rents actually received.

Future Advances. [illegible] Lender, at Lender's option prior to full reconveyance of the Property [illegible] to Borrower. Such Future Advances, with interest thereon, shall be [illegible] by promissory notes stating that said notes are secured hereby.

Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey [illegible] surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to [illegible] without warranty and without charge to the person or persons legally entitled [illegible] costs of recordation, if any.

Substitute Trustee. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor [illegible] Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all [illegible] and duties conferred upon the Trustee herein and by applicable law.

Area and Location of Property. Either the Property is not more than twenty acres in area or the Property is [illegible] an incorporated city or village.

In Witness Whereof, Borrower has executed this Deed of Trust.

George V. Hansen — Borrower

Connie S. Hansen — Borrower

Connie S. Hansen — Borrower

State of Idaho, Bannock County ss:

On this 15th day of March 1976, before me, Larry R. Bell, a Notary Public in and for said county and state, personally appeared George V. Hansen and Connie S. Hansen, Husband and Wife, known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that they executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY SEAL Larry R. Bell

Notary Public residing at Pocatello, Idaho

No. 595724

RECORDED AT REQUEST OF

Am. Land Title Co.

MAR 16 4 22 PM '76

316

[illegible]

4.00 [illegible] lab

41-21307-6

4-1

DEED OF TRUST

613037

1289

THIS DEED OF TRUST is made this ....10th.......... day of ....November....
19.78., among the Grantor,....George V. Hansen and Connie S. Hansen, Husband and Wife.....
.................................(herein "Borrower"),
....American Land Title Company.........................(herein "Trustee"), and the Beneficiary,
....Bank of Idaho N.A.., a corporation organized and
existing under the laws of ....United States of America............., whose address is...........
....Pocatello, Idaho...(herein "Lender").

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of ....Bannock.............................., State of Idaho:

Lot 31, Block 1, Fairway Estates Third Addition, Bannock County, Idaho, as the same appears on the official plat thereof, filed in the Office of the County Recorder of Bannock County, Idaho.

which has the address of.....2529 Fairway..............................., ...Pocatello..............,
(Street) (City)
....Idaho..83201..........(herein "Property Address");
(State and Zip Code)

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

To Secure to Lender (a) the repayment of the indebtedness evidenced by Borrower's note dated ....
.November 9, 1978.......(herein "Note"), in the principal sum of..Twenty thousand dollars and..
..no/100 - ..Dollars, with interest thereon, providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on ....May 29, 1981...........................; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained; and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances").

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

1290 4-2 613037

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in [illegible] a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. **Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. **Remedies Cumulative.** All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **Uniform Deed of Trust; Governing Law; Severability.** This form of deed of trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

17. **Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Deed of Trust and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

18. **Acceleration; Remedies.** **Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorney's fees.**

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

19. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to the earlier to occur of (i) the fifth day before sale of the Property pursuant to the power of sale contained in this Deed of Trust or (ii) entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust and in enforcing Lender's and Trustee's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this

1292

4-4

613037

Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. *Assignment of Rents; Appointment of Receiver; Lender in Possession.* As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

21. *Future Advances.* Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

22. *Reconveyance.* Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

23. *Substitute Trustee.* Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

24. *Area and Location of Property.* Either the Property is not more than twenty acres in area or the Property is located within an incorporated city or village.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

George V. Hansen
George V. Hansen —Borrower

Connie S. Hansen
Connie S. Hansen —Borrower

STATE OF IDAHO, Bannock County ss:

On this 10th day of November, 1978, before me, David O. Jensen, a Notary Public in and for said county and state, personally appeared George V. and Connie S. Hansen known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that they executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY SEAL

David O. Jensen
Notary Public residing at Pocatello, Idaho

613037
No. ____
RECORDED AT REQUEST OF
Amer. Land Title Co.
Nov 17 2 36 PM '78
[illegible] 228
[illegible]
[illegible] RECORDER
FEE 4.00 [illegible] 81

(Space Below This Line Reserved For Lender and Recorder)

2-1

Order No.　　　　3rd DEED OF TRUST　　　　4921　681436

636

THIS DEED OF TRUST, Made this 6th day of JANUARY, 19 82, BETWEEN GEORGE V. and CONNIE S. HANSEN, husband and wife - herein called GRANTOR, whose address is 2929 S. Fairway Drive, Pocatello, Idaho 83201 - - - - - - - - - - - - - - - - - FIRST AMERICAN TITLE COMPANY OF POCATELLO, INC. an Idaho corporation, herein called TRUSTEE, and FIRST INTERSTATE BANK OF IDAHO, N. A., Pocatello Office #24, herein called BENEFICIARY, WITNESSETH: That Grantor does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE, IN TRUST, WITH POWER OF SALE, that property in the County of State of Idaho, described as follows and containing not more than twenty acres:

Lot 31, Block 1, FAIRWAY ESTATES 3rd ADDITION, BANNOCK COUNTY, IDAHO, as the same appears on the official plat thereof, filed in the office of the County Recorder of Bannock County, Idaho.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the Purpose of Securing payment of the indebtedness evidenced by a promissory note, of even date herewith, executed by Grantor in the sum of FIFTEEN THOUSAND AND NO/100 Dollars, ($15,000.00), final payment due - - - - - - - - - - MARCH 18, 1982 - and to secure payment of all such further sums as may hereafter be loaned or advanced by the Beneficiary herein to the Grantor herein, or any or either of them, while record owner of present interest, for any purpose, and of any notes, drafts or other instruments representing such further loans, advances or expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such further loans, advances or expenditures shall be optional with the Beneficiary, and provided, further, that it is the express intention of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such advances together with interest thereon.

A. To protect the security of this Deed of Trust, Grantor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

4. To pay: at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. In addition to the payments due in accordance with the terms of the note hereby secured the Grantor shall at the option, and on demand of the Beneficiary, pay each month 1/12 of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, nevertheless in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure so to pay shall constitute a default under this trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at eight per cent per annum.

6. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this deed of trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part thereof is situated.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at eight per cent per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein.

Request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to the Grantor at his address hereinbefore set forth.

George V. Hansen
By Edward J. Barrett, an P.atty
GEORGE V. HANSEN

Connie S. Hansen
By Edward J. Barrett, an P.atty.
CONNIE S. HANSEN

STATE OF IDAHO, COUNTY OF

On this 5th day of January, 19 82
before me, a Notary Public in and for said State, personally appeared

George V. & Connie S. Hansen
by Edward J. Barrett, POA
Attorney in Fact

known to me to be the person whose name(s) subscribed to the within instrument, and acknowledged to me that they executed the same.

NOTARY SEAL

Kim Weber
Notary Public
Residing at Pocatello, Idaho.

ST
the
at
the
in
of
record at
M.
Fe
Mail to

681436
NO.
RECORDED AT REQUEST OF
First American Title Co.
JAN 11 4 32 PM '82
OFFICIAL RECORD BK NO 377
BANNOCK COUNTY IDAHO
S. NEIL ANDERSON RECORDER
FEE 4.00 DEPUTY

2'

681435

634 POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That we, GEORGE V. HANSEN and CONNIE S. HANSEN, of Pocatello, County of Bannock, State of Idaho, do hereby appoint EDWARD J. BERRETT of Pocatello, Idaho, our attorney, for us and in our name to draw checks against our bank account or bank accounts, to endorse notes, checks, drafts or bills of exchange which may require our endorsement for deposit as cash or for collection in the bank; to accept all drafts or bills of exchange which may be drawn upon us in the usual course of our business, and to do all lawful acts requisite for effecting these premises; and

To ask, demand, sue for, collect, recover and receive all sums of money, debts, dues, accounts, legacies, bequests, interests, dividends, annuities and demands whatsoever as are now or shall hereafter become due, owing, payable or belonging to us, and have use and take all lawful ways and means in our names or otherwise for the recovery thereof, by attachments, arrests, distress or otherwise, and to compromise and agree for the same, and acquittances or other sufficient discharges for the same, for us, and in our names, to make, seal and deliver; to bargain, contract, agree for, buy, sell, mortgage, hypothecate, and in any and every way and manner deal in and with goods and merchandise, choses in action, and other property, in possession or in action, and to release mortgages on lands or chattels, and to make, do and transact all and every kind of business of whatever nature and kind. Also, to bargain, contract, agree for, purchase, receive and take lands, tenements, hereditaments and accept the seizing and possession of all lands and all deeds and other assurances, and to lease, let, demise, bargain, sell, release, convey, mortgage and hypothecate lands, tenements, and hereditaments, and upon such terms and conditions, and under such covenants, as he shall think fit and also for us and in our names and as act and deed to sign, seal, execute and deliver and acknowledge such deeds, leases and assignments of leases, covenants, indentures, agreements, mortgages, hypothecations, charter parties, bills of lading, bills, bonds, notes, receipts, evidences of debt, releases and satisfaction of mortgages, judgments and other debts, and such other instruments in writing of whatever kind or nature as may be necessary or proper in the premises.

Giving and granting unto EDWARD J. BERRETT, said attorney, and his substitute or substitutes, full powers and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as we might or could

681435

635

do if personally present. we hereby ratifying and confirming all that, said attorney or his substitute or substitutes, shall lawfully do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, we have hereunto set our hands this 27th day of December, 1974.

George V. Hansen
George V. Hansen

Connie S. Hansen
Connie S. Hansen

STATE OF IDAHO)
: ss.
County of Bannock)

On this 27th day of December, 1974, before me, the undersigned, a Notary Public in and for said State, personally appeared GEORGE V. HANSEN and CONNIE S. HANSEN, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC for Idaho
Residing at Pocatello, Idaho

(SEAL)

NOTARY SEAL

I CERTIFY THIS TO BE A TRUE
AND CORRECT COPY OF THE
ORIGINAL DOCUMENT.

Notary Public, Residing in Pocatello, Idaho
My Commission expires 8-23-82

NO. 681435
RECORDED AT REQUEST OF
First American Title Co.
JUN 11 4 30 PM '82
OFFICIAL RECORD BK NO 377
BANNOCK COUNTY IDAHO
C. NEIL ANDERSON RECORDER
FEE [illegible] DEPUTY [illegible]

10589 1995 337

THIS DEED, made this 1st day of October, 1979, between JAMES VERMEER and HAZEL N. VERMEER, his wife, parties of the first part, and GEORGE V. HANSEN and CONNIE S. HANSEN, his wife, as tenants by the entirety, parties of the second part.

WITNESSETH

That for and in consideration of the sum of Ten Dollars ($10.00) in hand paid, the receipt of which is hereby acknowledged, the parties of the first part do grant and convey, with General Warranty of Title, unto the parties of the second part, as tenants by the entirety, with the full common law right of survivorship to the survivor of either of the parties of the second part, the following described property situate and being in the County of Arlington, Virginia:

Lot 11, Section 12, BELLEVUE FOREST, as the same is duly dedicated, platted and recorded in Deed Book 1205, at page 474, among the land records of Arlington County, Virginia.

AND BEING the same property conveyed to the parties of the first part by Deed recorded in Deed Book 12, at page 568, among the land records of said County.

Grantee:
3307 N. Piedmont Street
Arlington, Virginia 22207

This conveyance is made subject to the easements, right of way, restrictions and conditions contained in the deeds forming the chain of title to this property.

The grantors covenant that they have the right to convey the aforesaid property unto the grantees; that the grantees shall have quiet possession thereof; that the said grantors have done no act to encumber said land and that they will execute such further assurances of the land as may be requisite.

WITNESS the following signatures and seals:

JAMES VERMEER (SEAL)

HAZEL N. VERMEER (SEAL)

Return to
HERRELL, CAMPBELL & LAWSON

STATE OF VIRGINIA,
COUNTY OF, ARLINGTON, to-wit:

I, , a Notary Public in and for the County aforesaid, in the State of Virginia, do hereby certify that JAMES VERMEER and HAZEL N. VERMEER, whose names are signed to the above writing, bearing date on the 1st day of October, 1979, have personally appeared before me in my County aforesaid and acknowledged the same.

GIVEN under my hand this 1st day of October, 1979.

My commission expires on the 16 day of Sept, 1983.

C.N. 5721

Notary Public

GOVERNMENT EXHIBIT 67 EVID.

1995 PG 338

Oct 1, 1979 1:54 o'clock P.M.

[illegible]	142900 00
[illegible]	214.50
[illegible]	71.50
[illegible]	1.00
[illegible]	10.00
[illegible]	14300
[illegible]	44000

Teste: Clerk

DEED OF

BARGAIN AND SALE

TO

Case No.

Return to:

[illegible] & [illegible]

[illegible], Virginia

PURCHASE MONEY

DEED OF TRUST

BOOK 1999 PAGE 339

10590

THIS DEED OF TRUST is made this 1st day of October 19 79, among the Grantor, GEORGE V. HANSEN and CONNIE S. HANSEN (herein "Borrower"), George O. Gregory of Richmond, Virginia, and W. L. Wallace of Chesterfield County, Virginia, trustees (any one of whom may act and who are referred to herein as "Trustee"), and the Beneficiary, VMB Mortgage Corporation, a corporation organized and existing under the laws of The State of Virginia, whose address is P. O. Box 26388, Richmond, Virginia 23275 (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of Arlington, State of Virginia:

Lot 11, Section 12, BELLEVUE FOREST, as the same is duly dedicated, platted and recorded in Deed Book 1205, at page 474, among the land records of Arlington County, Virginia.

AND BEING THE SAME PROPERTY CONVEYED TO GRANTOR by Deed recorded immediately prior hereto among the land records of said County.

The following Chattels are secured by this Deed of Trust: Refrigerator, Range, Dishwasher.

which has the address of 3307 N. Piedmont Street, Arlington
(Street) (City)
Virginia, 22207 (herein "Property Address");
(State and Zip Code)

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust, and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property".

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by Borrower's note dated Oct. 1, 1979 (herein "Note"), in the principal sum of ONE HUNDRED FOURTEEN THOUSAND AND NO/100 Dollars, with interest thereon, providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on November 1, 2009; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained; and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances").

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

[illegible] Corp — [illegible] of Virginia [illegible]

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. **Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. **Remedies Cumulative.** All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **Uniform Deed of Trust; Governing Law; Severability.** This form of deed of trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

17. **Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Deed of Trust and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

18. **Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorney's fees.**

If Lender invokes the power of sale, Lender or Trustee shall give to Borrower a copy of a notice of sale in the manner prescribed by applicable law. Trustee shall give public notice of sale by advertising, in accordance with applicable law, once a week for four successive weeks in a newspaper published or having general circulation in the county or city in which the Property or some portion thereof is located, and by such additional or different form of advertisement as the Trustee may deem advisable, if any. Trustee may sell the Property on the twenty-second day after the first advertisement or any day thereafter. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale or by advertising in accordance with applicable law. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold with special warranty of title. The recitals in Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, Trustee's fees of 5 % of the gross sale price, reasonable attorney's fees and costs of title evidence; (b) to the discharge of all taxes, levies and assessments on the Property, if any, as provided by applicable law; (c) to all sums secured by this Deed of Trust; and (d) the excess, if any, to the person or persons legally entitled thereto, including, if any, holders of liens inferior to this Deed of Trust in order of their priority, provided that Trustee has actual notice of such liens. Trustee shall not be required to take possession of the Property prior to the sale thereof or to deliver possession of the Property to the purchaser at such sale.

19. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to the earlier to occur of (i) the fifth day before sale of the Property pursuant to the power of sale contained in this Deed of Trust or (ii) entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c)

CLERK'S MEMO:
ORIGINAL DOCUMENT OF POOR QUALITY
[illegible] MICRO-PHOTOGRAPHIC REPRODUCTION

Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust and in enforcing Lender's and Trustee's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

21. **Future Advances.** Upon request of Borrower, Lender, at Lender's option prior to release of this Deed of Trust, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, not including sums advanced in accordance herewith to protect the security of this Deed of Trust, exceed the original amount of the Note plus US $ None..........

22. **Release.** Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to release this Deed of Trust and shall surrender all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall release this Deed of Trust without charge to Borrower. Borrower shall pay all costs of recordation, if any.

23. **Substitute Trustee.** Lender may from time to time in Lender's discretion remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

24. **Identification of Note.** The Note is identified by a certificate on the Note executed by any Notary Public who certifies an acknowledgement hereto.

In Witness Whereof, Borrower has executed and sealed this Deed of Trust.

George V. Hansen ......(Seal)
GEORGE V. HANSEN —Borrower

Connie S. Hansen ......(Seal)
CONNIE S. HANSEN —Borrower

STATE OF VIRGINIA, ... ARLINGTON .... County ss:

The foregoing instrument was acknowledged before me this ...... OCTOBER 1, 1979
(date)

by .... GEORGE V. HANSEN and CONNIE S. HANSEN
(person acknowledging)

My Commission expires: Sept 10, 1983

Notary Public

This is a $114,000 indebtedness due in total on Nov. 1, 2009

(Space Below This Line Reserved For Lender and Recorder)

[illegible] with the certificate annexed, admitted to record

Oct. 1, 1979 ...... 1:36 o'clock P

Consideration: 114,000.00
State tax 171.50
County tax 57.00
[illegible]
[illegible] 10.00
[illegible] tax
[illegible]

Teste ...... Clerk

624

VNB EQUITY CORPORATION

DEED OF TRUST

THIS DEED OF TRUST, Made this 12th day of January, 1981, by and between GEORGE V. HANSEN and CONNIE S. HANSEN, his wife (hereinafter called "Borrower" even though more than one), and W. B. Harper of Virginia Beach, Virginia, and W. T. Casey of Virginia Beach, Virginia, Trustees (any one of whom may act without the joinder of the other and who are hereinafter referred to as "Trustee");

WITNESSETH:

That Borrower hereby grants and conveys unto the Trustee the following-described property:

Lot ELEVEN (11), Section TWELVE (12), BELLEVUE FOREST, as the same appears duly dedicated, platted and recorded in Deed Book 1705 at page 474 among the land records of Arlington County, Virginia.

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

TOGETHER with all improvements thereon, all appurtenances thereunto belonging, all the estate and rights, if any, of Borrower in and to land lying in public streets and roads abutting the above-described property, and all the fixtures, equipment and other personal property now or hereafter attached to, or used in connection with, or adapted for use in the operation of, the above-described property, all of which personal property shall be deemed part of the realty hereby conveyed; and Borrower hereby declares such personal property to be part of the said realty, whether attached thereto or not, and subject to the lien hereby created. All of the above-described real and personal property is hereinafter sometimes referred to as the "Property".

IN TRUST, to secure to VNB Equity Corporation (hereinafter sometimes referred to as "Lender"): (i) the repayment of the indebtness evidenced by Borrower's deed of trust note of even date herewith (hereinafter called the "Note"), in the principal sum of TWENTY-THREE THOUSAND FOUR HUNDRED SIXTY AND NO/100 - Dollars ($23,460.00), plus add on interest, thereon, payable to Lender or order, in 120 consecutive monthly instalments of THREE HUNDRED SEVENTY-ONE AND 45/100 - - - - - - - - Dollars ($371.45) each, beginning on February 26, 1981, and continuing monthly thereafter until the entire indebtedness is fully paid; (ii) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this

Deed of Trust; (iii) the performance of the covenants and agreements of Borrower herein contained; (iv) the repayment of any future advances, with interest thereon (hereinafter called "Future Advances"), made to Borrower by Lender pursuant to the terms hereof; and also (v) to secure the payment of any note given in curtail, renewal or extension, in whole or in part, of any debt above-mentioned (unlimited renewal or extension of all or any part of any such debt being expressly permitted) and all interest that shall accrue thereon, whether before or after maturity.

It is hereby covenanted and agreed as follows:

1. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, other charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust.

2. This Deed of Trust shall be construed under and in accordance with the provisions of Sections 55-59 and 55-60 of the Code of Virginia, 1950, as amended, unless otherwise specified herein.

SUBJECT TO ALL UPON DEFAULT

EXEMPTIONS WAIVED

FIRE AND EXTENDED COVERAGE INSURANCE REQUIRE , $ 23,460.00

SUBSTITUTION OF TRUSTEE PERMITTED

BIDDER'S DEPOSIT: the greater of (i) $250.00 or (ii) 10% of the total indebtedness hereby secured.

ADVERTISEMENT REQUIRED: advertisement of the time, place and terms of sale in at least five consecutive issues of a newspaper published or having a general circulation in the county or city in which the property or some portion thereof is located.

3. To further secure the payment of all amounts secured hereby and to assure the observance and performance of all of the covenants, conditions and obligations hereof, Borrower hereby assigns, transfers and sets over unto Lender all of the rents that may from time to time become due and payable on account of any and under all leases now existing, or that may hereafter come into existence in respect of the Property or any part thereof, and the Trustee is hereby authorized and empowered in its discretion (in addition to all other powers and rights herein granted) to apply for and to collect and receive all such rents, in the name of, and on behalf of, Lender. All monies so received under and by virtue of this assignment shall be held and applied as further security for the payment of the indebtedness and obligations hereby secured, after first deducting therefrom such reasonable costs and expenses as may be incurred in the collection of said rents; provided, however, that this assignment of rents shall not be or become operative unless and until there shall be default in the payment of any amount secured hereby or under this Deed of Trust.

4. If Borrower fails to perform any of the covenants or agreements contained in this Deed of Trust, or if any action or proceeding is threatened or commenced which could materially and adversely affect Lender's interest in the Property or its rights hereunder, including, but not limited to, actions or proceedings for foreclosure under a superior deed of trust or other lien on the Property, for any taking under the power of eminent domain, for the enforcement of any building code or other law or ordinance relating to the Property, for the purpose of determining whether any person referred to herein as Borrower is a bankrupt or insolvent person or for any taking or disposition of any property of any person referred to herein as Borrower, or in the event of death of any person referred to herein as Borrower, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this paragraph 4 shall become additional indebtedness of Borrower and be secured by this Deed of Trust. Unless Borrower and Lender otherwise agree, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount shall bear interest at the highest rate permissible by applicable law. Nothing contained in this paragraph 4 shall require Lender to incur any expense or do any act hereunder.

5. Lender may, at its option and upon request of Borrower, prior to release of this Deed of Trust, make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust, when evidenced by promissory notes executed by Borrower stating that said notes are secured hereby. At no time shall the outstanding principal amount of the indebtedness secured by this Deed of Trust (not including sums advanced in accordance herewith to protect the security of this Deed of Trust) exceed the original amount of the Note and all Future Advances and interest thereon shall be fully payable on or before ten (10) years after the date hereof.

6. Any forbearance by Lender in exercising any right or remedy afforded hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy available to Lender. The procurement of insurance or the payment of taxes or other liens or charges on the Property or the exercise of any other right by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust as provided herein. All remedies provided in this Deed of Trust are distinct from, and cumulative with any other right or remedy afforded under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

7. The covenants herein contained shall bind, and the rights and benefits afforded hereunder shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Notwithstanding anything herein or in any other document related hereto, nothing in this Deed of Trust, the Note or any such other document shall be construed as imposing or requiring Borrower to pay any charges of any kind, to any person whomsoever, except as permitted by law. Whenever used, the singular number shall include the plural, the plural the singular, the use of any gender shall include all other genders, and the term "holder" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

8. Upon payment of all sums secured by this Deed of Trust, Borrower shall pay all fees and costs, if any, permitted or required by law to effect a release hereof.

IN WITNESS WHEREOF, Borrower has executed and ensealed this Deed of Trust, as of the day and year above first written.

George V. Hansen (SEAL)
George V. Hansen

Connie S. Hansen (SEAL)
Connie S. Hansen

STATE OF VIRGINIA

[illegible] County of Fairfax :

The foregoing instrument was acknowledged before me this 12th day of Jan., 1981, by George V. Hansen and Connie S. Hansen, Borrower.

Notary Public

My commission expires: Oct. 17, 1982

VIRGINIA: IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE COUNTY OF ARLINGTON

This deed was presented, and, with the Certificate annexed, admitted to record on January 16, 1981 at 1051 o'clock A M

CONSIDERATION $ 23,460.00
STATE TAX 35.25
COUNTY TAX 11.75
TRANSFER FEE
CLERK'S FEE 10.00
GRANTOR'S TAX
TOTAL 57.00

Teste: David A. Bell Clerk

COMMONWEALTH OF VIRGINIA

Deed of Trust

TO

TRUSTEE

VNB EQUITY CORPORATION

Return to:
GEORGE E. BITNER, LTD.
2935 Chain Bridge Road
P. O. Box 159
Oakton, Virginia 22124

RE 2965

$23,460.00
35.25
11.75
10.00
$57.00

2241

Grantee:
2051 North Glebe Road
Arlington, Virginia 22207

Real Property Code: 07 008 052

THIS DEED, Made and entered into this 28th day of February, 1978, by and between GEORGE V. HANSEN and CONNIE S. HANSEN, his wife, parties of the first part; and THOMAS A. RANNEY, unmarried, party of the second part;

WITNESSETH: That for and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid, and other good and valuable consideration, receipt of all of which is hereby acknowledged, the parties of the first part hereto do hereby grant, bargain, sell and convey with GENERAL WARRANTY of title unto the party of the second part all of that certain lot or parcel of land, together with improvements thereon and appurtenances thereunto belonging, situate, lying and being in Arlington County, Virginia, and more particularly described as follows:

> Family Unit No. 2051, LAUREL COURTS, a Townhouse Condominium, in accordance with the Declaration of Condominium and plat attached thereto recorded in Deed Book 1941 at page 1812 among the land records of Arlington County, Virginia; TOGETHER WITH an undivided interest with other unit owners in and to all of the common and/or limited common elements of said Laurel Courts, a Townhouse Condominium.
>
> AND BEING the same property conveyed to the parties of the first part hereto by deed recorded in Deed Book 1957 at page 787, among the aforesaid county land records.

SUBJECT to restrictions and conditions of record.

SAID PARTIES OF THE FIRST PART COVENANT that they have the right to convey the said land unto the party of the second part; that they have done no act to encumber the same; that the said party of the second part shall have quiet possession of the said land, free from all other encumbrances; and that they, the said parties of the first part, will execute such further assurances of the said land as may be requisite.

WITNESS the following signatures and seals:

George V. Hansen (SEAL)
George V. Hansen

Connie S. Hansen (SEAL)
Connie S. Hansen

STATE OF VIRGINIA
COUNTY OF ARLINGTON, to-wit:

I, the undersigned, a Notary Public, in and for the County aforesaid in the State of Virginia, whose commission as Notary expires 4-22-79, do hereby certify that GEORGE V. HANSEN and CONNIE S. HANSEN, whose names are signed to the foregoing Deed dated February 28, 1978, have acknowledged the same before me in my County and State aforesaid.

GIVEN under my hand this 28th day of February, 1978.

[illegible]
Notary Public

IN THE [illegible] OF THE CIRCUIT COURT OF THE COUNTY OF ARLINGTON

This [illegible] with the Certificate annexed, admitted to record
[illegible] 1978 [illegible] 1 05 o'clock P M

135.00
155.22
37.71
1.50
12.00
13.50
32.50

Teste: David A. [illegible] Clerk

CLERK'S MEMO
ORIGINAL DOCUMENT OF POOR QUALITY
FOR MICRO-PHOTOGRAPHIC REPRODUCTION

Next document shows Thomas A. Rowers
borrowed $82,000 on the condo at
9 percent. ($660.92 a month - [illegible])
[illegible]

Sale price
$103,500

13566

THIS DEED Made this 16th day of November, A.D. 1977, by and between GEORGE V. HANSEN and CONNIE S. HANSEN, his wife parties of the first part, and UNITED VIRGINIA BANK/NATIONAL, Alexandria, Virginia, Trustee, parties of the second part:

IN TRUST, to secure the prompt payment of the principal sum of SEVENTY-EIGHT THOUSAND FIVE HUNDRED AND NO/100 Dollars ($78,500.00), together with interest thereon at the rate set forth in the note hereby secured, said indebtedness being evidenced by one certain promissory note of even date herewith executed by GEORGE V. HANSEN and CONNIE S. HANSEN, payable to the order of THE RIGGS NATIONAL BANK OF WASHINGTON, D.C., at its Main Office in Washington, D. C., payable in monthly installments of SIX HUNDRED THIRTY-ONE AND 92/100 Dollars ($631.92) each; the first of said installments being due and payable on the 16th day of December 1977 and continuing thereafter in said sum on the 16th day of each and every month until the full amount of the principal of said note and the interest thereon has been fully paid and discharged, except that the entire indebtedness, if not sooner paid, shall be due and payable on the 16th day of November 2007. The said installments, when so paid, shall be first applied to the payment of the interest then due on the principal of said note and the balance shall be applied to the payment of said principal.

Privilege is reserved by the makers of said note to prepay said debt in part or in full at any time without penalty or notice.

The holder of the indebtedness secured by this Deed of Trust shall be entitled to remove, substitute, or add a Trustee or Trustees, at its option, with or without cause or notice, by instrument duly executed, acknowledged and filed for record in the appropriate office for recording in Arlington County, Virginia.

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY SECURED HEREBY.

AND WHEREAS, the parties of the first part desire to secure the full and punctual payment of said debt and interest thereon, and the full performance of the covenants herein contained, as well as any and all renewals or extensions of said note or of any part thereof, with interest on such renewals or extensions at such rate of interest as may be agreed upon, and any notes given for interest covering any extension, with interest thereon from the maturity of same (which renewals or extensions of the debt, or any part thereof, hereby secured, or any change in its terms or rate of interest payable on the same, shall not impair in any manner the validity of, or priority of this trust); and also to secure the reimbursement to the holder or holders of said note and to the parties of the second part, or either of them, or a substituted trustee and any purchaser or purchasers, grantee or grantees under any sale or sales in the provisions of this trust, for all money which may be advanced as herein provided for, and for any and all costs and expenses (including reasonable counsel fees) incurred or paid on account of any litigation at law or in equity which may arise with respect to this trust or to the indebtedness or to the property herein mentioned, or in obtaining possession of the premises after any sale which may be made as hereinafter provided for.

NOW, THEREFORE, THIS DEED OF TRUST WITNESSETH, that the parties of the first part, in consideration of the premises and of One Dollar ($1.00) lawful money of the United States of America, receipt of which is hereby acknowledged, do hereby grant and convey to the parties of the second part, in fee simple, the following described land and premises, together with all the improvements, easements, rights-of-way, and appurtenances in any wise appertaining thereto (including chattels as hereinafter set forth in Clause 8) situate and lying in Arlington County, Virginia:

> Family Unit No. 2051, LAUREL COURTS, a Townhouse Condominium, in accordance with the Declaration of Condominium and plat attached thereto recorded in Deed Book 1941 at page 1812 among the land records of Arlington County, Virginia; TOGETHER WITH an undivided interest with other unit owners in and to all of the common and/or limited common elements of said LAUREL COURTS, a Townhouse Condominium;
>
> AND BEING the same property conveyed to the parties of the first part by Deed recorded along with and just prior hereto among the aforesaid land records;

AND, wherever in this deed the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular.

WITNESS the following signatures and seals:

George V. Hansen (SEAL)
GEORGE V. HANSEN

Connie S Hansen (SEAL)
CONNIE S. HANSEN

STATE OF VIRGINIA, ARLINGTON COUNTY, SS:

The foregoing instrument was acknowledged before me this 16th day of November 1977, by GEORGE V. HANSEN and CONNIE S. HANSEN.

NOTARY PUBLIC

My commission expires:
Sept 16, 1979

C.N.

VIRGINIA: IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE COUNTY OF ARLINGTON

This deed was presented, and, with the Certificate annexed, admitted to record on November 22, 1977 2:22 o'clock P M

CONSIDERATION $ 78,500.00
STATE TAX 117.75
COUNTY TAX 39.25
TRANSFER TAX
CLERK'S FEE 10.00
GRANTOR'S TAX
TOTAL 167.00

Teste: T.T. David A. Bell Clerk

10
117.75
39.25
167

DEED OF TRUST

TO

Case No.________

Return to:

[illegible], CAMPBELL & LAWSON
ATTORNEYS AT LAW
[illegible]
ARLINGTON [illegible], VIRGINIA

-2-

Ruth M Zirkle (SEAL)
RUTH M. ZIRKLE

Fred G. Behm (SEAL)
FRED G. BEHM

(SEAL) [redacted]

[redacted]

[redacted]

FURTHER, IN WITNESS WHEREOF, said LAUREL PROPERTIES, INC. has caused this Deed to be executed in its corporate name by FREDRICK E. SHERIDAN President, and its corporate seal to be hereto affixed and attested by BROCKY C. EUSTICE, Secretary, said officers being thereunto duly authorized all as of the day, month and year first hereinabove written.

LAUREL PROPERTIES, INC.

ATTEST:

BY: President

Secretary

STATE OF VIRGINIA, ARLINGTON COUNTY, SS:

The foregoing instrument was acknowledged before me this 16d day of November 1977, by JAY ZIRKLE, RUTH M. ZIRKLE and FRED G. BEHM.

Marianne Leamy
NOTARY PUBLIC

My commission expires:
8/18/81

[redacted]

[redacted]

[redacted]

[redacted]

BOOK 1957 PAGE 287

12763

THIS DEED, Made this 16th day of November 1977, by and between JAY ZIRKLE and RUTH M. ZIRKLE, his wife, FRED G. REED, [redacted] Surviving Tenant by the Entirety and Not Remarried, [redacted], and LAUREL PROPERTIES, INC., a Virginia corporation, parties of the first part; and GEORGE V. HANSEN and CONNIE S. HANSEN, his wife, parties of the second part:

***** W I T N E S S E T H *****

That for and in consideration of the sum of Ten Dollars ($10.00) in hand paid, receipt of which is hereby acknowledged, the parties of the first part do grant and convey with general warranty of title unto the parties of the second part as tenants by the entirety with the full common law right of survivorship to the survivor of them, the following described property situate and being in Arlington County, Virginia:

> Family Unit No. 2051, LAUREL COURTS, a Townhouse Condominium, in accordance with the Declaration of Condominium and plat attached thereto recorded in Deed Book 1941 at page 1812 among the land records of Arlington County, Virginia; TOGETHER WITH an undivided interest with other unit owners in and to all of the common and/or limited common elements of said Laurel Courts, a Townhouse Condominium.

This conveyance is made subject to the easements, rights of way, restrictions and conditions contained in the deeds forming the chain of title to the above property.

The grantors covenant that they have the right to convey the aforesaid property unto the grantees; that the grantees shall have quiet possession thereof; that the grantors have done no act to encumber said land; and that they will execute such further assurances of the land as may be requisite.

WITNESS the following signatures and seals:

Jay Zirkle (SEAL)
JAY ZIRKLE

2051 N. Glebe Road, Arlington, Virginia 22207

GOVERNMENT EXHIBIT 68 EVID.

To [illegible]

Individual Statement
Personal Form

FOR THE PURPOSE OF PROCURING CREDIT FROM TIME TO TIME [redacted] THE FOLLOWING IS FURNISHED AS A TRUE AND ACCURATE STATEMENT OF MY CONDITION ON THE DATE INDICATED. I AGREE TO NOTIFY [redacted] [redacted] PROMPTLY OF ANY MATERIAL CHANGE IN MY FINANCIAL CONDITION

NAME GEORGE V. HANSEN (personal) ADDRESS 1125 House Office Building
Washington, D.C. 20515

BUSINESS MEMBER OF CONGRESS - IDAHO 2nd DISTRICT (Businessman) Phone No 202/225-5531

FINANCIAL CONDITION ON September 15, 19 77

ASSETS	DOLLARS		CTS	LIABILITIES	DOLLARS		CTS
CASH ON HAND AND IN BANKS	10	750	00	NOTES PAYABLE TO BANKS	23	150	00
Svngs	3	800	00	NOTES PAYABLE TO OTHERS			
Ret.	9	500	00	ACCOUNTS PAYABLE			
ACCOUNTS RECEIVABLE—Current Tx Ret Due	9	000	00	Cr Crds/Acc'ts	7	000	00
FARM PRODUCTS				OWING TO RELATIVES			
LIVE STOCK				CHATTEL MORTGAGES AND CONTRACTS PAYABLE—MONTHLY PAYMENTS $ Autos	3	000	00
MARKETABLE SECURITIES (See Schedule)				PROVISION FOR INCOME TAXES			
OTHER CURRENT ASSETS (Itemize)				OTHER TAXES			
				OTHER CURRENT LIABILITIES (Itemize)			
TOTAL CURRENT ASSETS	33	050	00	*TOTAL CURRENT LIABILITIES	33	150	00
OTHER SECURITIES (See Schedule) Autos	18	000	00	MORTGAGE ON HOMESTEAD (See Schedule)			
CASH VALUE OF LIFE INSURANCE				MORTGAGES ON OTHER REAL ESTATE (See Schedule)	231	500	00
FIRST MORTGAGES RECEIVABLE				CHATTEL MORTGAGES AND CONTRACTS Bus.	9	500	00
SECOND MORTGAGES RECEIVABLE				OTHER LIABILITIES (Itemize)			
MACHINERY, FIXTURES, AND EQUIPMENT/Bus.	31	800	00				
OTHER REAL ESTATE (See Schedule)	391	520	00				
HOMESTEAD							
RECEIVABLE FROM OWN COMPANIES							
HOUSEHOLD FURNITURE & Furnishings	31	700	00				
OTHER ASSETS (Itemize) Personals	15	000	00	TOTAL LIABILITIES	274	450	00
				NET WORTH	246	620	00
TOTAL	521	070	00	TOTAL	521	070	00

SPECIFY ANY OF THE ABOVE ASSETS PLEDGED AS COLLATERAL
as shown

HAS FULL PROVISION BEEN MADE FOR INCOME TAXES TO DATE OF THIS STATEMENT? Yes, Substantial Refund Due.

*ALL LIABILITIES MATURING IN NEXT 12 MONTHS

CONTINGENT LIABILITY	ON REDISCOUNTED, ASSIGNED OR SOLD NOTES AND ACCOUNTS RECEIVABLE	$
	ON GUARANTEES AND ENDORSEMENTS	$
	ON BONDS	$
	OTHER CONTINGENT LIABILITY (SPECIFY)	$
ANNUAL INCOME	FROM PROFESSION Member of Congress	$ 57,500.00
	FROM SALARY AND COMMISSIONS	$
	FROM REAL ESTATE RENTALS	$
	FROM INVESTMENTS	$
	FROM OTHER SOURCES (SPECIFY) Miscellaneous/Estimate	$ 15,000.00
	TOTAL ANNUAL INCOME	$ 72,500.00
BANK ACCOUNTS	Sgt. at Arms, U.S. House of Representatives, Washington, D.C. 20515	
	First Security Bank of Idaho, Pocatello, Idaho 83201	
	Valley Bank, Pocatello, Idaho 83201	

(Political Assets & Liabilities not included)

September 15, 1977

George V. Hansen

LIFE INSURANCE

Insurance Company	Beneficiary	Amount of Policy	Cash Value	Amt. Borrowed
New York Life Insurance Co.	wife (Connie S. Hansen)	$210,000.00	- 0 -	--
[illegible] (U.S. Govt.)	wife	10,000.00	- 0 -	--
Group Insurance (U.S. Gov't.)	wife	70,000.00	- 0 -	--
	TOTAL----	$290,000.00	- 0 -	--

SCHEDULE OF REAL ESTATE

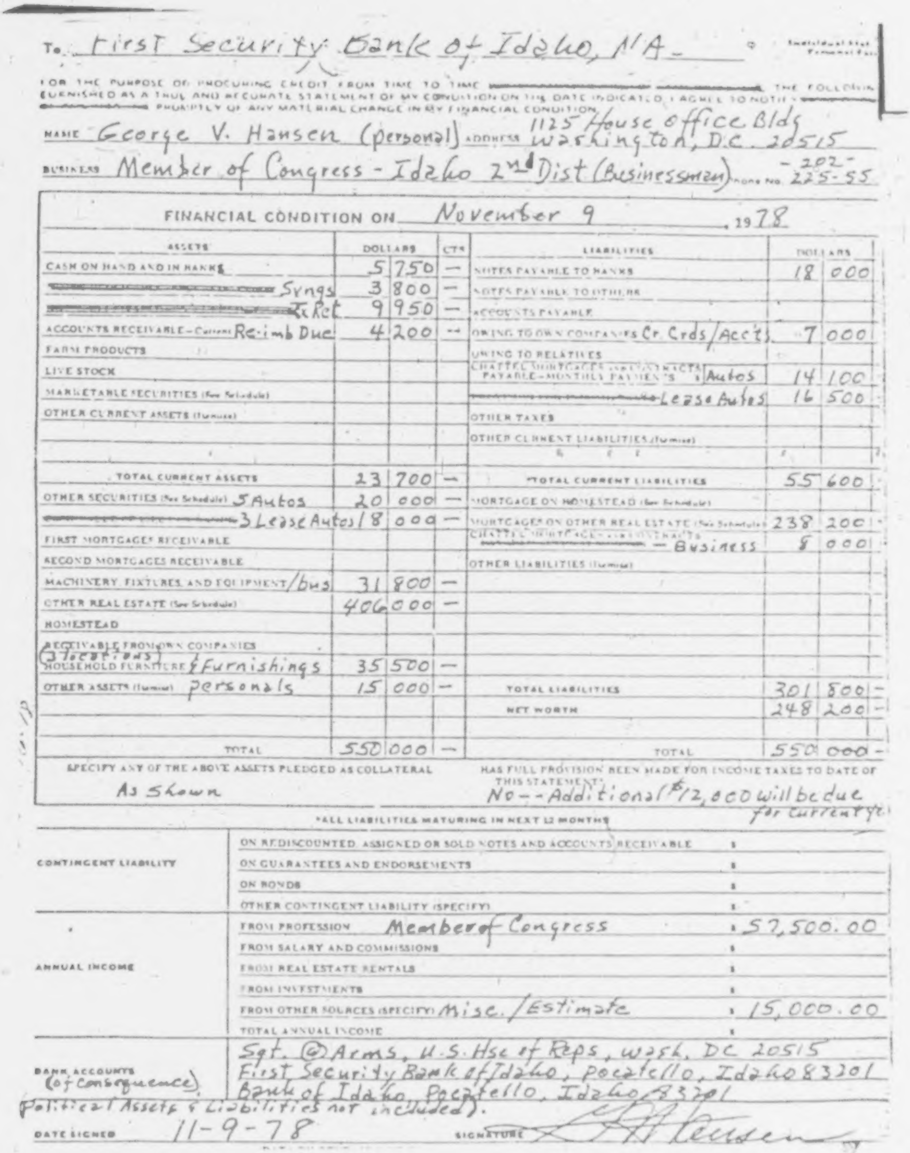
Description and Location	Title in Whose Name	Value	Balance Due on Mortgage	Monthly Maturity	Rentals Received	Insurance
Residence/ Pocatello, ID	self & wife	$ 68,000.	$ 53,800.	$439.52	--	
Residence/ Paragould, AR	self & wife	27,000.	3,000.	71.00	--	
Residence/ Arlington, VA	self & wife	170,000.	105,000.	531.00	--	
Residence/ Tetonia, ID	s & w/part Esc.	1,520.	- 0 -	- 0 -	--	
Business/ Pocatello, ID	self & wife	125,000.	70,000.	(550.00)	--	
	TOTALS ----	$391,520.	$231,800.			

SCHEDULE OF STOCKS, BONDS AND SECURITIES

No. of Shares	Description	Par Value Per Share	Market Value Per Share	Dividends or Interest Received	Total Market Value

REFERENCES

REMARKS



To. First Security Bank of Idaho, N.A.

FOR THE PURPOSE OF PROCURING CREDIT FROM TIME TO TIME ~~______~~ THE FOLLOWING FURNISHED AS A TRUE AND ACCURATE STATEMENT OF MY CONDITION ON THE DATE INDICATED. I AGREE TO NOTIFY ~~______~~ PROMPTLY OF ANY MATERIAL CHANGE IN MY FINANCIAL CONDITION.

NAME George V. Hansen (personal) ADDRESS 1125 House Office Bldg Washington, D.C. 20515

BUSINESS Member of Congress - Idaho 2nd Dist (Businessman) PHONE No. -202- 225-55

FINANCIAL CONDITION ON November 9, 1978

ASSETS	DOLLARS	CTS	LIABILITIES	DOLLARS
CASH ON HAND AND IN BANKS	5 750	—	NOTES PAYABLE TO BANKS	18 000
Svngs	3 800	—	NOTES PAYABLE TO OTHERS	
Ix Ret	9 950	—	ACCOUNTS PAYABLE	
ACCOUNTS RECEIVABLE—Current Re-imb Due	4 200	--	OWING TO OWN COMPANIES Cr. Crds/Acc'ts	7 000
FARM PRODUCTS			OWING TO RELATIVES	
LIVE STOCK			CHATTEL MORTGAGES AND CONTRACTS PAYABLE—MONTHLY PAYMENTS $ Autos	14 100
MARKETABLE SECURITIES (See Schedule)			Lease Autos	16 500
OTHER CURRENT ASSETS (Itemize)			OTHER TAXES	
			OTHER CURRENT LIABILITIES (Itemize)	
TOTAL CURRENT ASSETS	23 700	—	*TOTAL CURRENT LIABILITIES	55 600
OTHER SECURITIES (See Schedule) 5 Autos	20 000	—	MORTGAGE ON HOMESTEAD (See Schedule)	
3 Lease Autos	18 000	—	MORTGAGES ON OTHER REAL ESTATE (See Schedule)	238 200
FIRST MORTGAGES RECEIVABLE			CHATTEL MORTGAGES AND CONTRACTS — Business	8 000
SECOND MORTGAGES RECEIVABLE			OTHER LIABILITIES (Itemize)	
MACHINERY, FIXTURES, AND EQUIPMENT /bus	31 800	—		
OTHER REAL ESTATE (See Schedule)	406 000	—		
HOMESTEAD				
RECEIVABLE FROM OWN COMPANIES (3 locations)				
HOUSEHOLD FURNITURE & Furnishings	35 500	—		
OTHER ASSETS (Itemize) personals	15 000	—	TOTAL LIABILITIES	301 800 -
			NET WORTH	248 200 -
TOTAL	550 000	—	TOTAL	550 000 -

SPECIFY ANY OF THE ABOVE ASSETS PLEDGED AS COLLATERAL
As Shown

HAS FULL PROVISION BEEN MADE FOR INCOME TAXES TO DATE OF THIS STATEMENT?
No--Additional ($12,000 will be due for current yr.

*ALL LIABILITIES MATURING IN NEXT 12 MONTHS

CONTINGENT LIABILITY	ON REDISCOUNTED, ASSIGNED OR SOLD NOTES AND ACCOUNTS RECEIVABLE	$
	ON GUARANTEES AND ENDORSEMENTS	$
	ON BONDS	$
	OTHER CONTINGENT LIABILITY (SPECIFY)	$
ANNUAL INCOME	FROM PROFESSION Member of Congress	$ 57,500.00
	FROM SALARY AND COMMISSIONS	$
	FROM REAL ESTATE RENTALS	$
	FROM INVESTMENTS	$
	FROM OTHER SOURCES (SPECIFY) Misc. / Estimate	$ 15,000.00
	TOTAL ANNUAL INCOME	$
BANK ACCOUNTS (of consequence)	Sgt. @ Arms, U.S. Hse of Reps, wash. DC 20515 First Security Bank of Idaho, Pocatello, Idaho 83201 Bank of Idaho, Pocatello, Idaho 83201	

Political Assets & Liabilities not included).

DATE SIGNED 11-9-78 SIGNATURE G V Hansen

LIFE INSURANCE

Insurance Company	Beneficiary	Amount of Policy	Cash Value	Amount Borrowed
New York Life Ins. Co.	wife (Connie S. Hansen)	$210,000.00	-0-	—
NSLI (U.S. Gov't)	wife	10,000.00	-0-	—
Group Ins. (U.S. Gov't.)	wife	70,000.00	-0-	—
	Total--	$290,000.00	-0-	—

SCHEDULE OF REAL ESTATE

Description and Location	Title in Whose Name	Value	Balance Due on Mortgage	Monthly Maturity	Rentals Received	Insurance
Residence/Pocatello, Id.	Self & wife	$82,000	$62,600.	439.52		
Residence/Paragould, Ark	Self & wife.	29,000.	1,500.	74.00		
Residence/Arlington, Va.	Self & wife	170,000	105,000	831.00.		
Business/Pocatello, Id.	Self & wife	125,000.	69,500.	(550.00)	pd fr. business.	
	Totals--	$406,000	$238,200			

SCHEDULE OF STOCKS, BONDS AND SECURITIES

No. of Shares	Description	Par Value Per Share	Market Value Per Share	Dividends or Interest Received	Total Market Value

REFERENCES

REMARKS

THE PURPOSE OF PROCURING CREDIT FROM TIME TO TIME [redacted] [redacted] ... AS A TRUE AND ACCURATE STATEMENT OF MY CONDITION ON THE DATE ... [redacted] PROMPTLY OF ANY MATERIAL CHANGE IN MY FINANCIAL CONDITION [redacted]

NAME George V. Hansen (personal) ADDRESS 1125 House Office Bldg Washington, D.C. 20515
BUSINESS Member of Congress - Idaho 2nd Dist (Businessman) PHONE -202- 225-553

FINANCIAL CONDITION ON November 1, 1980

ASSETS	DOLLARS	CTS	LIABILITIES	DOLLARS
SH ON HAND AND IN BANKS	5 750	—	NOTES PAYABLE TO BANKS	22 000
[redacted] Svngs	3 800	—	NOTES PAYABLE TO OTHERS	
[redacted] Ret.	9 950	—	ACCOUNTS PAYABLE	
ACCOUNTS RECEIVABLE—Current Re-imb Due	4 200	—	OWING TO OWN COMPANIES Cr. Crds/Accts	6 000
RM PRODUCTS			OWING TO RELATIVES	
LIVE STOCK			CHATTEL MORTGAGE OR CONTRACTS PAYABLE—MONTHLY PAYMENTS Autos	12 000
MARKETABLE SECURITIES (See Schedule)			[redacted] Lease Autos	12 000
OTHER CURRENT ASSETS (Itemize)			OTHER TAXES	
			OTHER CURRENT LIABILITIES (Itemize)	
TOTAL CURRENT ASSETS	23 700	—	TOTAL CURRENT LIABILITIES	52 000
OTHER SECURITIES (See Schedule) 4 Autos	25 000	—	MORTGAGE ON HOMESTEAD (See Schedule)	
[redacted] 3 Lease Autos	18 000	—	MORTGAGES ON OTHER REAL ESTATE (See Schedule)	233 500
RST MORTGAGES RECEIVABLE			[redacted] - Business	7 000
SECOND MORTGAGES RECEIVABLE			OTHER LIABILITIES (Itemize)	
MACHINERY, FIXTURES AND EQUIPMENT /bus.	31 800	—		
OTHER REAL ESTATE (See Schedule)	445 000	—		
HOMESTEAD				
RECEIVABLE FROM OWN COMPANIES				
HOUSEHOLD FURNITURE (3 locations) Furnishings	35 500	—		
OTHER ASSETS (Itemize) personals	15 000	—	TOTAL LIABILITIES	292 500
			NET WORTH	301 500
TOTAL	594 000	—	TOTAL	594 000

SPECIFY ANY OF THE ABOVE ASSETS PLEDGED AS COLLATERAL
As shown

HAS FULL PROVISION BEEN MADE FOR INCOME TAXES TO DATE OF THIS STATEMENT? Yes -

	ALL LIABILITIES MATURING IN NEXT 12 MONTHS	
ONTINGENT LIABILITY	ON REDISCOUNTED, ASSIGNED OR SOLD NOTES AND ACCOUNTS RECEIVABLE	$
	ON GUARANTEES AND ENDORSEMENTS	$
	ON BONDS	$
	OTHER CONTINGENT LIABILITY (SPECIFY)	$
NNUAL INCOME [1979 Income $118,000 (IRS)]	FROM PROFESSION Member of Congress	$ 61,000.00
	FROM SALARY AND COMMISSIONS Honorariums	$ 7,000.00
	FROM REAL ESTATE RENTALS	$
	FROM INVESTMENTS Printing Business	$ 20,000.0
	FROM OTHER SOURCES (SPECIFY) Investments & Misc.	$ 30,000.0
	TOTAL ANNUAL INCOME	$ 118,000.00
ersonal BANK ACCOUNTS (of consequence)	Sgt. at Arms, U.S. Hse of Reps, Wash, DC 20515 First Security Bank of Idaho, Pocatello, Idaho 832 Bank of Idaho, Pocatello, Idaho 83201	

litical Assets & Liabilities not included)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New York Life Ins. Co.	Wife (Connie S. Kinser)	$210,000.00	-0-	—
N.S.L.I. (U.S. Gov't)	Wife —	10,000.00	-0-	—
Group Ins (U.S. Gov't.)	Wife —	70,000.00	-0-	—
	Total--	$290,000.00	-0-	—

SCHEDULE OF REAL ESTATE

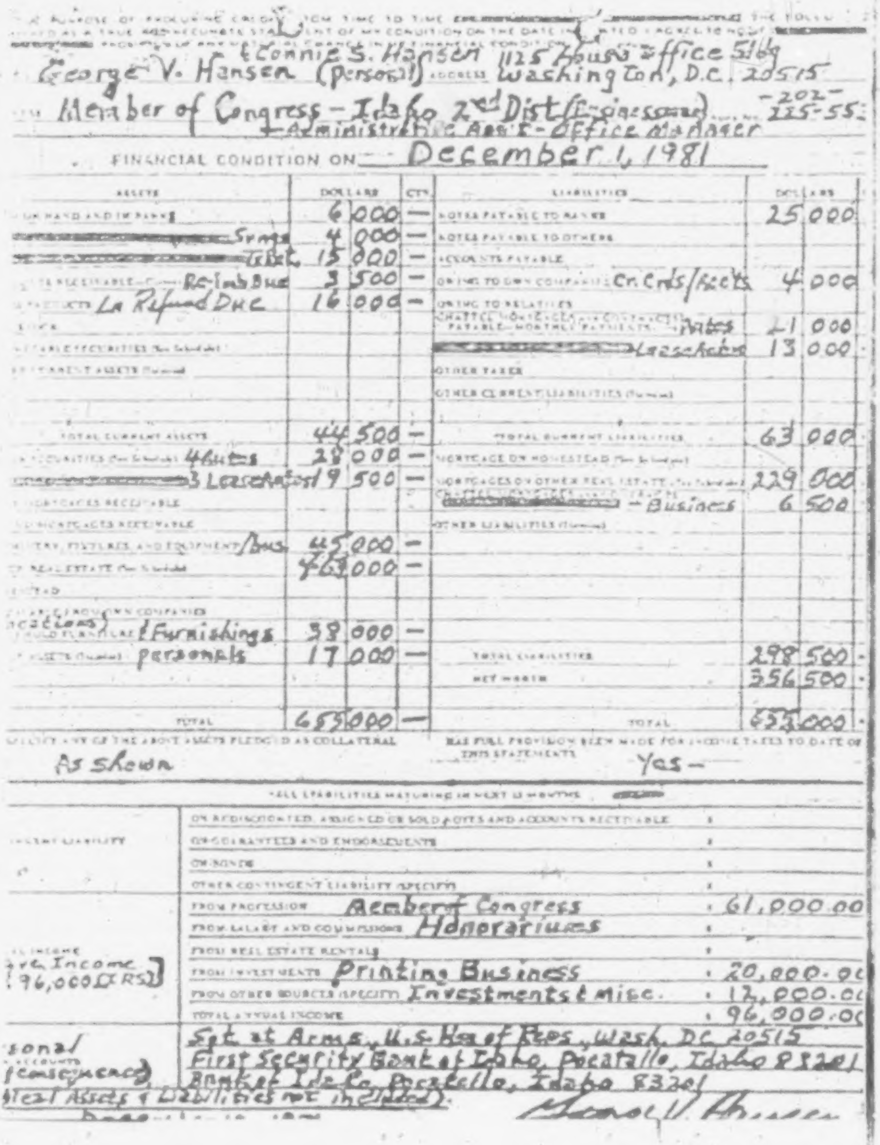
Description and Situation	Title in Whose Name	Value	Balance Due on Mortgage	Monthly Payments	Rental Received	Insurance
sidence/Pocatello, Id.	Self + wife	$95,000.	$60,000.	439.52		
sidence/Paragould, Ark.	Self + wife	35,000.	-0-	-0-		
sidence/Arlington, Va.	Self + wife	170,000.	112,000.	900.00		
siness/Pocatello, Id.	Self + wife	145,000.	61,500.	(550.00)	pd fr. business re	
	Totals--	$445,000.	$233,500.	—		

SCHEDULE OF STOCKS, BONDS AND SECURITIES

No. of Shares	Description	Par Value Per Share	Market Value Per Share	Dividends or Interest Received	Total Market Value

REFERENCES

REMARKS



FOR THE PURPOSE OF PROCURING CREDIT FROM TIME TO TIME … THE FOLLOWING IS SUBMITTED AS A TRUE AND ACCURATE STATEMENT OF MY CONDITION ON THE DATE INDICATED AND AGREE TO NOTIFY … PROMPTLY OF ANY MATERIAL CHANGE IN MY FINANCIAL CONDITION

NAME George V. Hansen (Personal) & Connie S. Hansen ADDRESS 1125 House Office Bldg Washington, D.C. 20515

FIRM Member of Congress – Idaho 2nd Dist (Congressman) + Administrative Ass't – Office Manager BUS. PHONE -202-225-55

FINANCIAL CONDITION ON — December 1, 1981

ASSETS	DOLLARS	CTS.	LIABILITIES	DOLLARS
CASH ON HAND AND IN BANKS	6 000	—	NOTES PAYABLE TO BANKS	25 000
Svngs	4 000	—	NOTES PAYABLE TO OTHERS	
T-Bst.	15 000	—	ACCOUNTS PAYABLE	
NOTES RECEIVABLE— Re-imb Due	3 500	—	OWING TO OWN COMPANIES Cr. Crds/Accts	4 000
ACCOUNTS La Refund Due	16 000	—	OWING TO RELATIVES	
STOCK			CHATTEL MORTGAGES AND CONTRACTS PAYABLE—MONTHLY PAYMENTS Autos	21 000
MARKETABLE SECURITIES (See Schedule)			Leaseholds	13 000
OTHER CURRENT ASSETS (Itemize)			OTHER TAXES	
			OTHER CURRENT LIABILITIES (Itemize)	
TOTAL CURRENT ASSETS	44 500	—	TOTAL CURRENT LIABILITIES	63 000
SECURITIES (See Schedule) 4 Autos	28 000	—	MORTGAGE ON HOMESTEAD	
3 Leaseholds	19 500	—	MORTGAGES ON OTHER REAL ESTATE (See Schedule)	229 000
MORTGAGES RECEIVABLE			CHATTEL MORTGAGES — Business	6 500
MORTGAGES RECEIVABLE			OTHER LIABILITIES (Itemize)	
MACHINERY, FIXTURES, AND EQUIPMENT /Bus.	45 000	—		
REAL ESTATE (See Schedule)	463 000	—		
HOMESTEAD				
RECEIVABLE FROM OWN COMPANIES				
HOUSEHOLD FURNITURE & Furnishings	38 000	—		
OTHER ASSETS (Itemize) personals	17 000	—	TOTAL LIABILITIES	298 500
			NET WORTH	356 500
TOTAL	655 000	—	TOTAL	655 000

SPECIFY ANY OF THE ABOVE ASSETS PLEDGED AS COLLATERAL

As shown

HAS FULL PROVISION BEEN MADE FOR INCOME TAXES TO DATE OF THIS STATEMENT?

Yes —

ALL LIABILITIES MATURING IN NEXT 12 MONTHS

CONTINGENT LIABILITY	ON REDISCOUNTED, ASSIGNED OR SOLD NOTES AND ACCOUNTS RECEIVABLE	$
	ON GUARANTEES AND ENDORSEMENTS	$
	ON BONDS	$
	OTHER CONTINGENT LIABILITY (SPECIFY)	$
ANNUAL INCOME Gross Income 96,000 [IRS]	FROM PROFESSION Member of Congress	$ 61,000.00
	FROM SALARY AND COMMISSIONS Honorariums	$
	FROM REAL ESTATE RENTALS	$
	FROM INVESTMENTS Printing Business	$ 20,000.0
	FROM OTHER SOURCES (SPECIFY) Investments & misc.	$ 12,000.0
	TOTAL ANNUAL INCOME	$ 96,000.0
Personal accounts (consequence)	Sgt at Arms, U.S. Hse of Reps, Wash. DC 20515 First Security Bank of Idaho, Pocatello, Idaho 83201 Bank of Idaho, Pocatello, Idaho 83201	

(Real Assets & Liabilities not included).

December [illegible]

George V. Hansen

Insurance Company	Beneficiary	Amount of Policy	Cash Value	Loans Against
New York Life Ins. Co.	wife (Connie S. Hanson)	$210,000.00	—0—	—
VSGLI (U.S. Gov't)	wife ″	10,000.00	—0—	—
Group Ins (U.S. Gov't)	wife ″	378,000.00	—0—	—
	Total—	$598,000.00	—0—	—

SCHEDULE OF REAL ESTATE

Description and Location	Title in Whose Name	Value	Balance Due on Mortgage	Monthly Mortgage	Rentals Received	Insurance
idence/Pocatello, Id.	Self + wife	$98,000	$58,000	439.52		
sidence/[illegible]	Self + wife	40,000	—0—	—0—		
sidence/Arlington, Va.	Self + wife	175,000	112,500	900.00		
siness/Pocatello, Id.	Self + wife	150,000	58,500	(550.00) pd fr. business r		
	Totals—	$463,000	$229,000	—		

SCHEDULE OF STOCKS, BONDS AND SECURITIES

No. of Shares	Description	Par Value Per Share	Market Value Per Share	Dividends or Interest Received	Total Market Value

REFERENCES

REMARKS

10693 BOOK 1998 PAGE 741

THIS DEED, made this 1st day of October, 1979, between GEORGE V. HANSEN and CONNIE S. HANSEN, his wife, parties of the first part, and HARRY M. ZACHEM and KATHRYN W. ZACHEM, his wife, as tenants by the entirety, parties of the second part.

WITNESSETH

That for and in consideration of the sum of Ten Dollars ($10.00) in hand paid, the receipt of which is hereby acknowledged, the parties of the first part do grant and convey, with General Warranty of Title, unto the parties of the second part, as tenants by the entirety, with the full common law right of survivorship to the survivor of either of the parties of the second part, the following described property situate and being in the County of Arlington, Virginia:

Lot 7, FOSTER'S THIRD ADDITION TO COUNTRY CLUB HILLS, as the same appears duly dedicated, platted and recorded in Deed Book 1827 at page 465 among the land records of Arlington County, Virginia;

AND BEING the same property conveyed to the parties of the first part by Deed recorded in Deed Book 1876 at page 719 among the aforesaid land records;

Grantee:
4700 North 38th Place
Arlington, Virginia 22207

This conveyance is made subject to the easements, right of way, restrictions and conditions contained in the deeds forming the chain of title to this property.

The grantors covenant that they have the right to convey the aforesaid property unto the grantees; that the grantees shall have quiet possession thereof, that the said grantors have done no act to encumber said land and that they will execute such further assurances of the land as may be requisite.

WITNESS the following signatures and seals:

George V. Hansen (SEAL)
GEORGE V. HANSEN

Connie S. Hansen (SEAL)
CONNIE S. HANSEN

Return to
HERRELL, CAMPBELL & LAWSON

STATE OF VIRGINIA,
COUNTY OF ARLINGTON, to-wit:

I, Ted Wild, a Notary Public in and for the County aforesaid, in the State of Virginia, do hereby certify that GEORGE V. HANSEN and CONNIE S. HANSEN, whose names are signed to the above writing, bearing date on the 1st day of October, 1979, have personally appeared before me in my County aforesaid and acknowledged the same.

GIVEN under my hand this 1st day of October, 1979.

My commission expires on the 10 day of Sept, 1983.

C.N.

Notary Public

GOVERNMENT EXHIBIT 70 [illegible]

In the Clerk's Office of the County of [illegible]

[illegible] with the certificate annexed, admitted to record
2:23 o'clock P.M.

Teste: [illegible]

October 2, 1979
167,000.00
250.50
83.50
1.00
10.00
167.00
512.00

11.
250.50
83.50
167.
512

Sales price appears to be $167,000 (see above) In next document Harry C. Hattar [illegible] Zahra [illegible] borrow $82,000 on the property from UNB Mortgage Corp.

Cost 167,600 –

TO

DEED OF
BARGAIN AND SALE

Case No.

Return to:

[illegible] Campbell & Lamm
Attorneys at Law
[illegible] Virginia

10963

CERTIFICATE OF SATISFACTION (C)

BOOK 1998 PAGE 1584

Place of Record: Clerk's Office of the Circuit Court of the County of Arlington.

Date of Deed of Trust January 3, 1975

Deed Book 1826 , Page 721

Face Amount Secured $ 105,000.00

Name(s) of Grantor(s) GEORGE V. HANSEN and CONNIE S. HANSEN, his wife

Name(s) of Trustee(s) COMMONWEALTH ABSTRACT CORPORATION

Name of Beneficiary T. J. OFFUTT, TRUSTEE

Brief Description of Property Lot 7, FOSTERS 3RD ADDN TO COUNTRY CLUB HILLS Arlington County, Virginia

Maker(s) of Note GEORGE V. HANSEN and CONNIE S. HANSEN

Date of Note January 3, 1975 Face Amount of Note $ 105,000.00

I/We holder(s) of the above-mentioned note(s) secured by the above-mentioned Deed of Trust to be produced before the Clerk herewith, do hereby certify that the same has/have been paid in full.

Given under my/our hand(s) this ______ day of OCTOBER 19 79

T. J. OFFUTT, TRUSTEE
E.C. Hiles, Noteholder(s) Comptroller

RETURN TO: HERPELL, CAMPBELL & LAWSON

COMMONWEALTH OF VIRGINIA,
COUNTY/~~CITY~~ OF ARLINGTON } To-wit:

Subscribed, sworn to and acknowledged before me by T. J. OFFUTT, TRUSTEE By E.C. Hiles, Comptroller

this 5th day of October 19 79

My Commission Expires July 10, 1982

Notary Public

I certify that the note(s) mentioned in the foregoing certificate duly cancelled was/were produced before the Clerk.

Attest:

by Barbara ______ , D.C.

VIRGINIA:

IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE COUNTY OF ARLINGTON

This certificate was presented, and with the Certificate annexed, admitted to record on Oct. 10, 1979 at 8 32 o'clock A. M. Clerk's Fee $ 2.50 has been paid

David A. Bell Clerk

Schedules A&B—Itemized Deductions AND Interest and Dividend Income
(Form 1040)
Department of the Treasury
Internal Revenue Service
▶ Attach to Form 1040 ▶ See Instructions for Schedules A and B (Form 1040)

1979
08

Name(s) as shown on Form 1040: GEORGE V & CONNIE S. HANSEN
Your social security number: 519 28 4146

Interest Expense (See page 17 of Instructions.)		
17 Home mortgage	16,768	
18 Credit and charge cards	724	
19 Other (itemize) ▶		
VARIOUS BANKS	10,889	
OTHERS	818	
20 Total interest expense (add lines 17 through 19). Enter here and on line 25 ▶	29,199	

GOVERNMENT EXHIBIT
71-a

Form **2119**

Department of the Treasury
Internal Revenue Service

Sale or Exchange of Personal Residence

▶ See instructions on back.
▶ Attach to Form 1040.

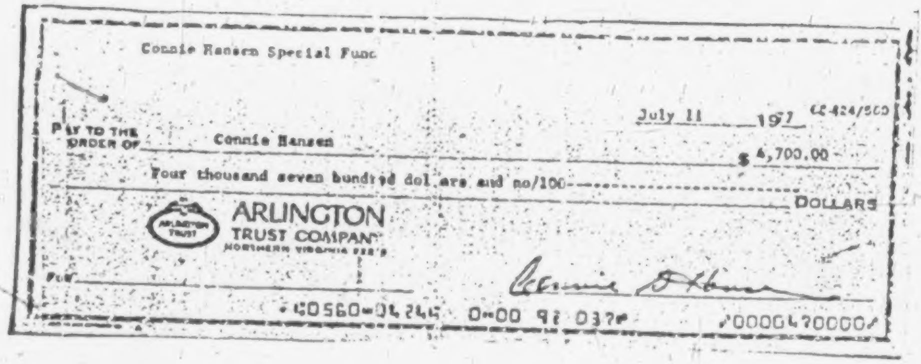
1979

Note: Do not include expenses that are deductible as moving expenses on Form 3903.

Name(s) as shown on Form 1040 GEORGE V & CONNIE S HANSEN	Your social security number 519 28 4146

1(a) Date former residence sold ▶ 10-1-79

(c) If married at time of sale, was the residence owned by:
☐ you ☐ your spouse ☒ both of you



Connie Hansen Special Fund

July 11 1977 68-424/560

PAY TO THE ORDER OF Connie Hansen $ 4,700.00

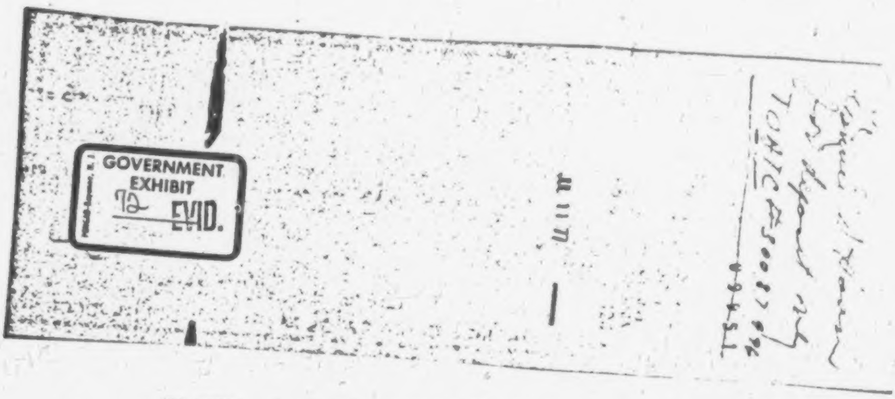
Four thousand seven hundred dollars and no/100 DOLLARS

ARLINGTON TRUST COMPANY

FOR

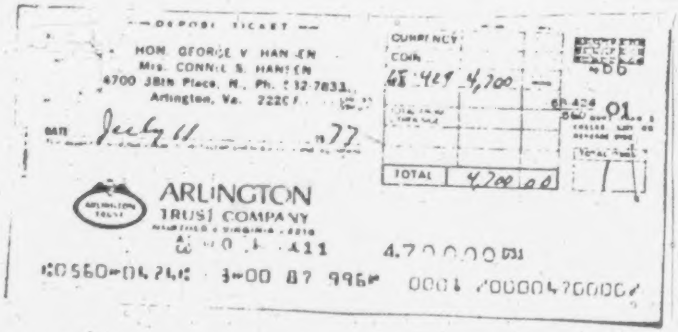
Connie S Hansen

⑆0560⑉0424⑆ 0⑉00 97 037⑈ ⑈0000470000⑈



GOVERNMENT EXHIBIT 72 EVID.

Connie S. Hansen
for deposit only
TOHIC #500817 96
[illegible]



DEPOSIT TICKET

HON. GEORGE V. HANSEN
Mrs. CONNIE S. HANSEN
4700 38th Place, N., Ph. 532-7833
Arlington, Va. 22207

DATE July 11 19 77

CURRENCY		
COIN		
68-424	4,700	—
TOTAL	4,700	00

68-424 560 01

ARLINGTON TRUST COMPANY

4.700000

⑆0560⑉0424⑆ 3⑉00 87 996⑈ 0001 ⑈0000470000⑈

PENGAD Bayonne, N.J.
GOVERNMENT
EXHIBIT
8
EVID.

JOINT ACCOUNT CHECKING

NAME George Hansen-A.C.T. Account ACCT. No. 11-0106457-5

(1) SIGNATURE G H Hansen

(2) SIGNATURE Jim [illegible]

ADDRESS

To THE BANK OF COMMERCE, Idaho Falls, Idaho

You are authorized to recognize any of the signatures subscribed above in the payment of funds or the transaction of any business for this account. It is agreed that all transactions between you and the above-signed shall be governed by the contract printed on the reverse side of this card.

The above-signed, joint depositors, hereby agree each with the other and with you that all sums now on deposit or heretofore or hereafter deposited by either or both of said joint depositors with you to their credit as such joint depositors with all accumulations thereon, are and shall be owned by them jointly, with right of survivorship, and be subject to the check or receipt of either of them or the survivor of them and payment to or on the check of either or the survivor shall be valid and discharge you from liability.

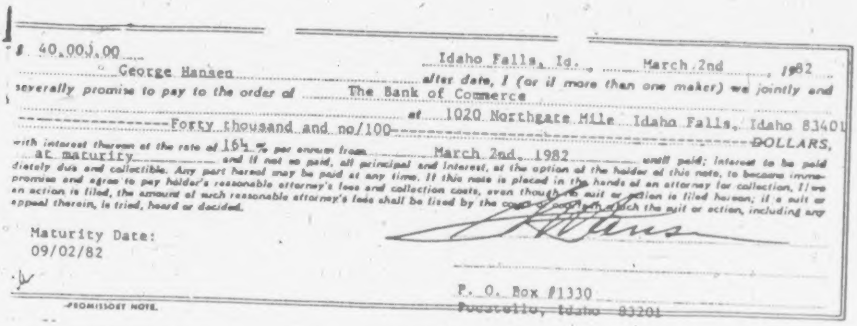
Each of the above-signed appoints the other attorney, with power to deposit in said joint account moneys of the other and for that purpose to endorse any check, draft, note or other instrument payable to the order of the other or both said joint depositors.

Payment to or on check of the survivor shall be subject to the laws relating to inheritance and succession taxes and all rules and regulations made pursuant thereto.

Your rights or authority under this agreement shall not be changed or terminated by us or either of us except by written notice to you which shall not affect transactions theretofore made.

SIG-2

DATE OPENED 3-1-82 INITIAL DEPOSIT $ ACCOUNT OPENED BY nn



$ 40,000.00

Idaho Falls, Id. March 2nd 1982

George Hansen after date, I (or if more than one maker) we jointly and severally promise to pay to the order of The Bank of Commerce at 1020 Northgate Mile Idaho Falls, Idaho 83401

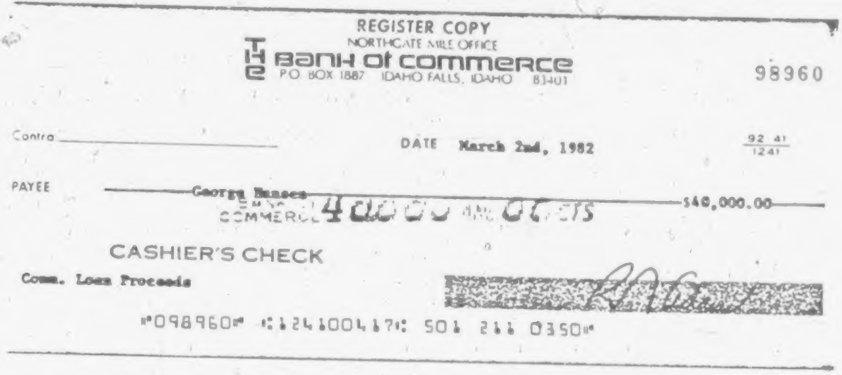
Forty thousand and no/100 DOLLARS,

with interest thereon at the rate of 16½ % per annum from March 2nd, 1982 until paid; interest to be paid at maturity and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

Maturity Date:
09/02/82

P. O. Box #1330
~~Pocatello, Idaho 83201~~

PROMISSORY NOTE.



REGISTER COPY
NORTHGATE MILE OFFICE
THE BANK OF COMMERCE
P.O. BOX 1887 IDAHO FALLS, IDAHO 83401

98960

Contra

DATE March 2nd, 1982

92-41
1241

PAYEE George Hansen $40,000.00

COMMERCE 40000 00 AND 00 CTS

CASHIER'S CHECK

Comm. Loan Proceeds

⑈098960⑈ ⑆124100417⑆ 501 211 0350⑈

GOVERNMENT EXHIBIT
81a
EVID

$ 20,000.00 Idaho Falls March 8th, 1982

George Hansen after date, I (or if more than one maker) we jointly and severally promise to pay to the order of The Bank of Commerce at 1020 Northgate Mile Idaho Falls, Idaho 83401

Twenty thousand and no/100 DOLLARS,

with interest thereon at the rate of 16½ % per annum from March 8th, 1982 until paid; interest to be paid at maturity and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

Maturity Date:
09-02-82

P. O. Box #1330 Pocatello, Idaho 83201

PROMISSORY NOTE

REGISTER COPY
NORTHGATE MILE OFFICE
THE BANK OF COMMERCE
P.O. BOX 1887 IDAHO FALLS, IDAHO 83401

99060

92-41
1241

Contra ____________

DATE March 8th, 1982

PAYEE George Hansen $20,000.00

BANK OF COMMERCE 20000 DOLS 00 CTS

CASHIER'S CHECK

Commercial Loan Proceeds

⑈099060⑈ ⑆124100417⑆ 501 211 0350⑈

GOVERNMENT EXHIBIT 51(G) EVID

$ 20,000.00 Idaho Falls March 11th 19 82

George Hansen after date, I (or if more than one maker) we jointly and severally promise to pay to the order of The Bank of Commerce at 1020 Northgate Mile Idaho Falls, Idaho 83401

Twenty thousand and no/100 DOLLARS,

with interest thereon at the rate of 16½ % per annum from March 11th, 1982 until paid; interest to be paid at maturity and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

Maturity Date:
09/02/82

PROMISSORY NOTE

REGISTER COPY
NORTHGATE MILE OFFICE
THE BANK of COMMERCE
P.O. BOX 1887 IDAHO FALLS, IDAHO 83401

99105

Contra

DATE March 11th, 1982

92-41
1241

PAYEE George Hansen $21,000.00

BANK OF COMMERCE 21000 AND 00 CTS

CASHIER'S CHECK

Commercial Loan Proceeds

[redacted]

⑈099105⑈ ⑆124100417⑆ 501 211 0350⑈

HON. GEORGE V. HANSEN-A.C.T. ACCOUNT
P. O. BOX 1330
POCATELLO, IDAHO 83201

1001

11 Mar 82

92-41/1241

Pay to the order of Bank of Commerce $ 1,000 00

One Thousand dollars and 00/100 Dollars

the BANK of COMMERCE
NORTHGATE MILE OFFICE
P.O. BOX 1887
IDAHO FALLS, IDAHO 83401

For

⑆124100417⑆ 11 0106457 5⑈ 1001

GOVERNMENT EXHIBIT
61(c)
EVID.

$10,000.00 Idaho Falls, March 17th, 1982

George Hansen after date, I (or if more than one maker) we jointly and severally promise to pay to the order of The Bank of Commerce at 1020 Northgate Mile Idaho Falls, Idaho

--------Ten thousand and no/100-- DOLLARS,

with interest thereon at the rate of 16½% per annum from March 17th, 1982 until paid, interest to be paid at maturity and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

GEORGE HANSEN
P.O. BOX 1330
Pocatello, Idaho 83201

Maturity Date:
09/02/82

PROMISSORY NOTE

REGISTER COPY
NORTHGATE MILE OFFICE
THE BANK OF COMMERCE
P.O. BOX 1882 IDAHO FALLS, IDAHO 83401

99212

Contra

DATE March 17th, 1982

92-41
1241

PAYEE ——George Hansen—————————————$10,000.00——

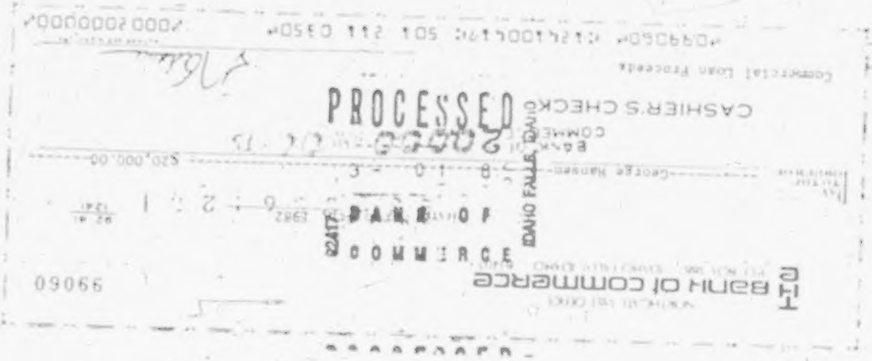
BANK OF COMMERCE I [illegible] GC ...TS

CASHIER'S CHECK

Commercial Loan Proceeds

⑈099212⑈ ⑆124100417⑆ 504 211 0350⑈

GOVERNMENT EXHIBIT 81(a) EVID



NORTHGATE SUB OFFICE
THE Bank of Commerce
P.O. BOX 1887, IDAHO FALLS, IDAHO 83401

99060

DATE 1982
92-41/1241

PAY TO THE ORDER OF ----George Hansen---- $20,000.00

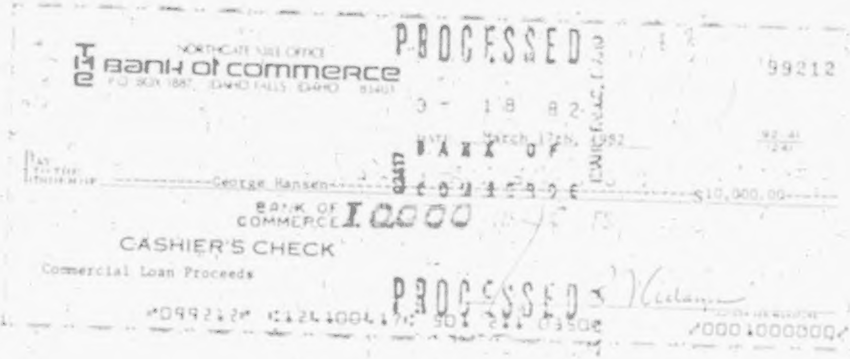
BANK OF COMMERCE 20000

CASHIER'S CHECK

Commercial Loan Proceeds

⑈099060⑈ ⑆124100417⑆ 501 211 0350⑈ ⑈0002000000⑈

PROCESSED
3-01-82
BANK OF COMMERCE
02417
IDAHO FALLS, IDAHO



NORTHGATE SUB OFFICE
THE Bank of Commerce
P.O. BOX 1887, IDAHO FALLS, IDAHO 83401

99212

DATE March 17th, 1982
92-41/1241

PAY TO THE ORDER OF ----George Hansen---- $10,000.00

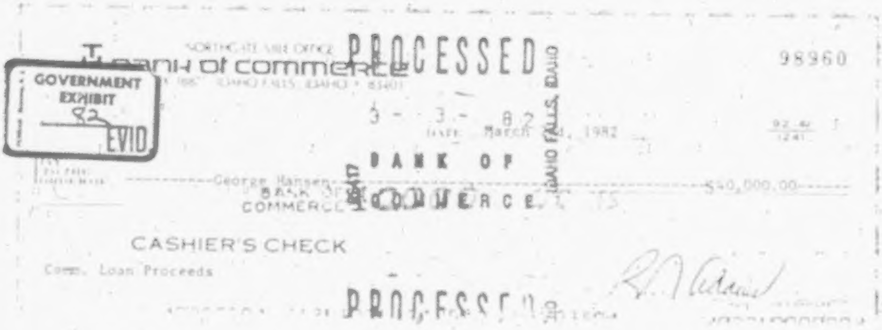
BANK OF COMMERCE 10000

CASHIER'S CHECK

Commercial Loan Proceeds

⑈099212⑈ ⑆124100417⑆ 501 211 0350⑈ ⑈0001000000⑈

PROCESSED
3-18-82
BANK OF COMMERCE
02417
IDAHO FALLS, IDAHO



GOVERNMENT EXHIBIT 82 EVID

NORTHGATE SUB OFFICE
THE Bank of Commerce
P.O. BOX 1887, IDAHO FALLS, IDAHO 83401

98960

DATE March 2d, 1982
92-41/1241

PAY TO THE ORDER OF ----George Hansen---- $40,000.00

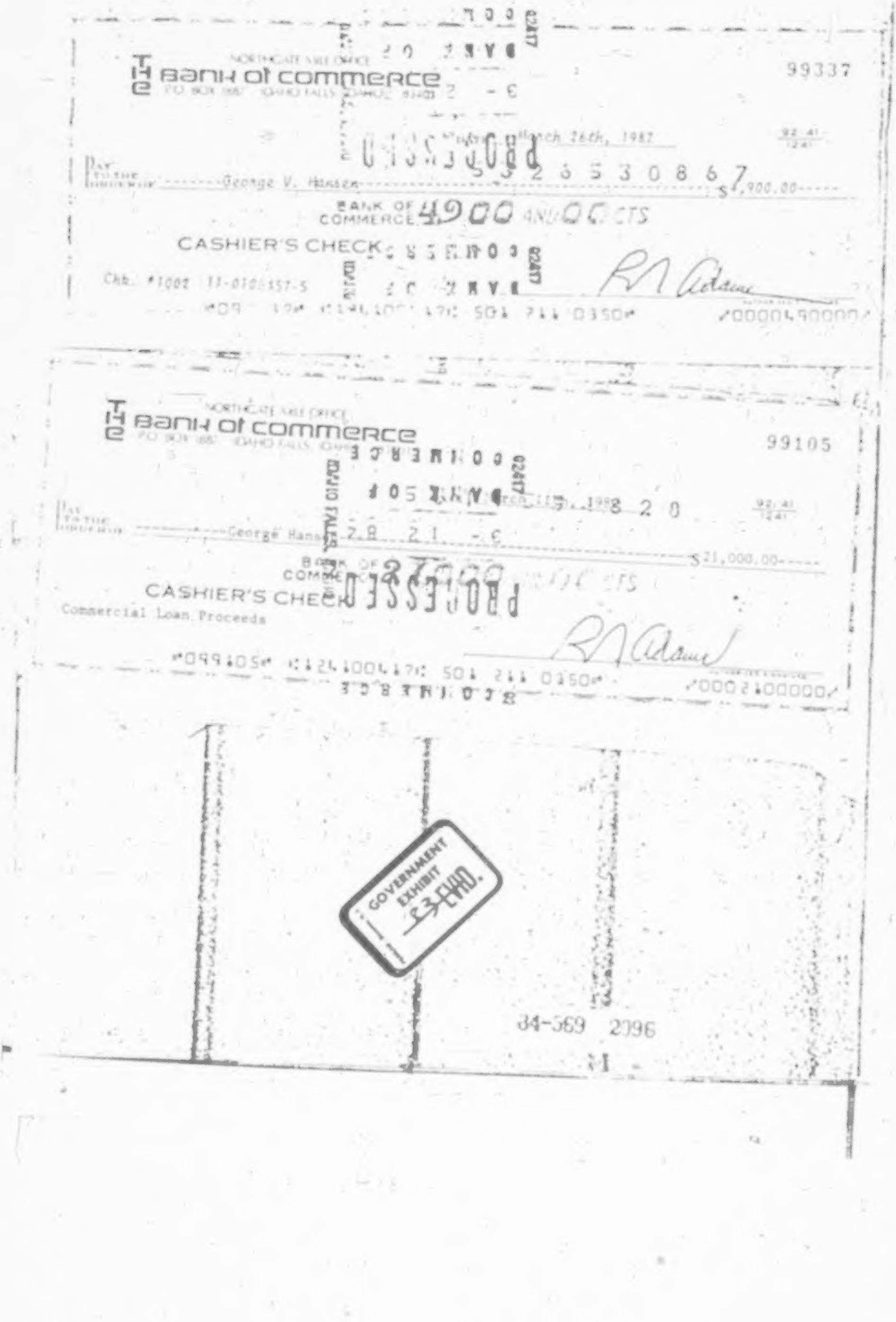
BANK OF COMMERCE

CASHIER'S CHECK

Comm. Loan Proceeds

PROCESSED
3-3-82
BANK OF COMMERCE
02417
IDAHO FALLS, IDAHO

For Deposit Only
to the account of
George Hansen
2408 1788



NORTHGATE MILE OFFICE
THE BANK of COMMERCE
P.O. BOX 1887 IDAHO FALLS, IDAHO 83403

99337

March 26th, 1982

92-41/1241

PAY TO THE ORDER OF -------George V. Hansen------- $4,900.00-----

BANK OF COMMERCE $4900 AND 00 CTS

CASHIER'S CHECK

Chk. #1002 11-010-157-5

R Adams

⑈09 [illegible] ⑆124100417⑆ 501 211 0350⑈ ⑈0000490000⑈

PROCESSED

NORTHGATE MILE OFFICE
THE BANK of COMMERCE
P.O. BOX 1887 IDAHO FALLS, IDAHO

99105

March 11th, 1982

92-41/1241

PAY TO THE ORDER OF -------George Hansen------- $21,000.00-----

BANK OF COMMERCE $21000 AND 00 CTS

CASHIER'S CHECK

Commercial Loan Proceeds

R Adams

⑈099105⑈ ⑆124100417⑆ 501 211 0350⑈ ⑈0002100000⑈

PROCESSED

GOVERNMENT EXHIBIT 23-EHRD.

34-569 2096

1 1241 1
[illegible] BANK, REG
First Interstate Bank
of Idaho, N.A.
IDAHO FALLS, IDAHO

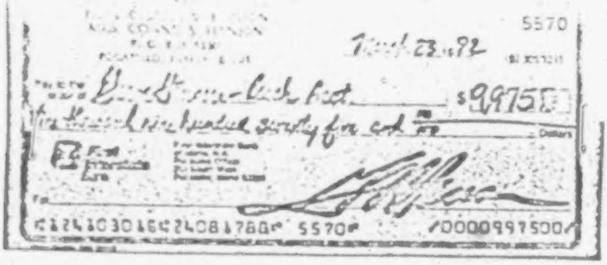
92 301

FOR DEPOSIT ONLY
GEORGE HANSEN

1241
[illegible] IDAHO

92 301

FOR DEPOSIT [illegible]
GEORGE HA[illegible]

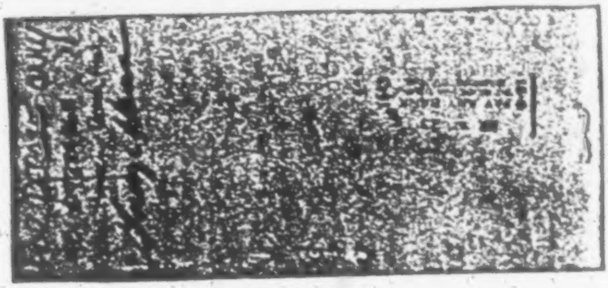


5570

March 23 19 82

$9,975.00

224103016 24081780 5570 /0000997500/



CHECKING ACCOUNT DEPOSIT TICKET

George [illegible], Reach Account

The Riggs National Bank of Washington D.C.

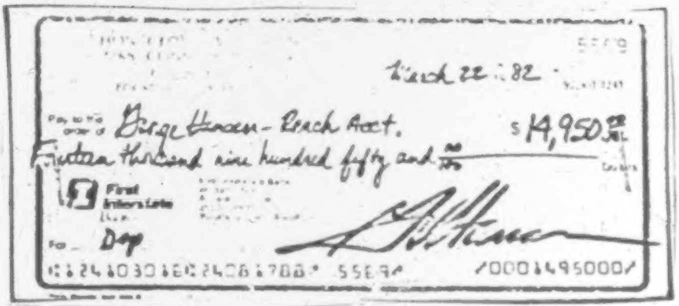
DATE March 23 19 82

92-81 / 124 9,975 00

9,975 00

01-07224365

77/0000997500/



March 22 1982

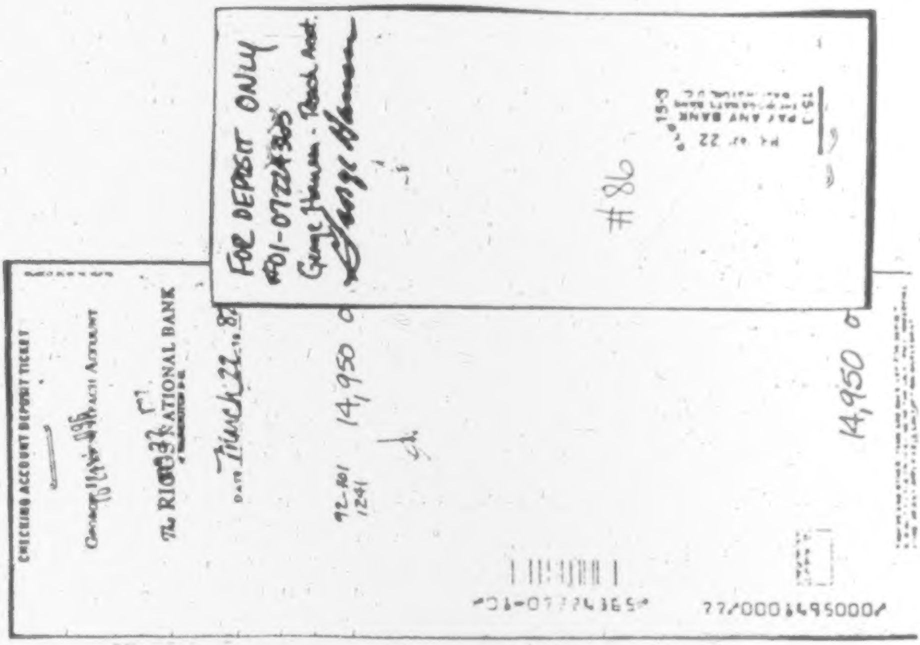
Pay to the order of George Hansen - Reach Acct. $14,950 00/100

Fifteen thousand nine hundred fifty and 00/100 Dollars

First Interstate Bank

For Dep

⑆124103016⑆ 24061708⑈ 5569⑈ ⑈0001495000⑈



FOR DEPOSIT ONLY
#01-07224305
George Hansen - Reach Acct.
George Hansen

#86

22 PAY ANY BANK 15-3

CHECKING ACCOUNT DEPOSIT TICKET

George Hansen Reach Account

The RIGGS NATIONAL BANK

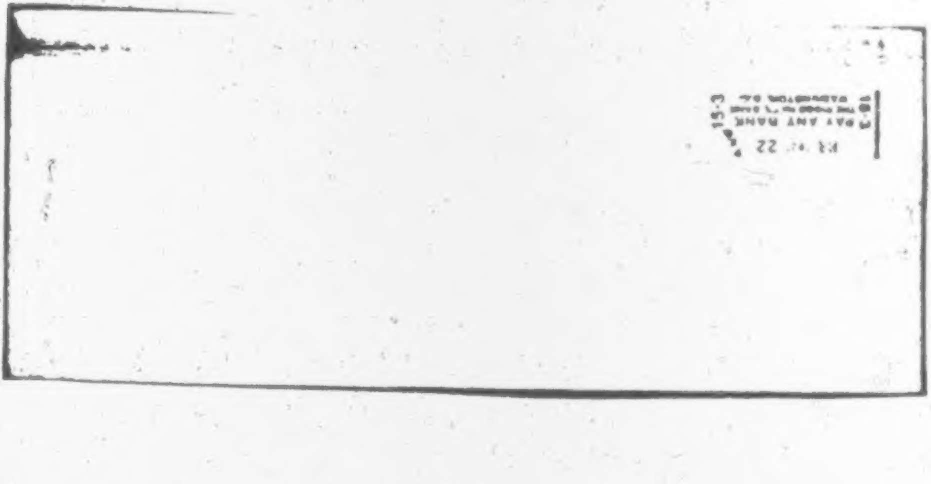
DATE March 22 19 82

92-101
1241 14,950 00

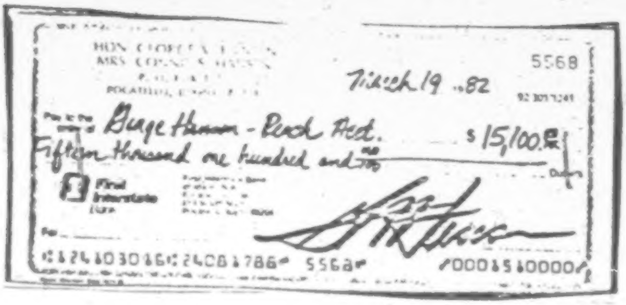
14,950 00

⑆01-07724365⑈

⑈0001495000⑈



22 PAY ANY BANK 15-3



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN
POCATELLO, IDAHO

5568

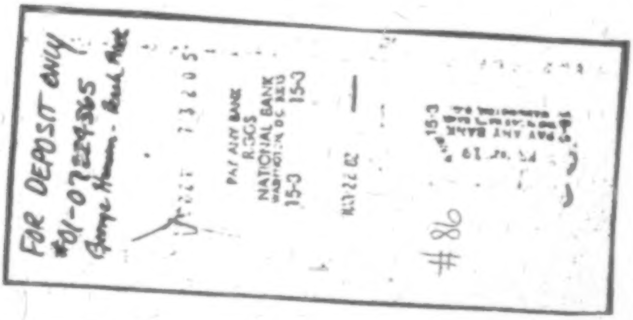
March 19 82

Pay to the order of George Hansen - Reach Acct. $ 15,100.00

Fifteen thousand one hundred and 00/100 Dollars

First Interstate Bank

⑆124103086⑆2408 1786⑈ 5568⑈ ⑈0001510000⑈



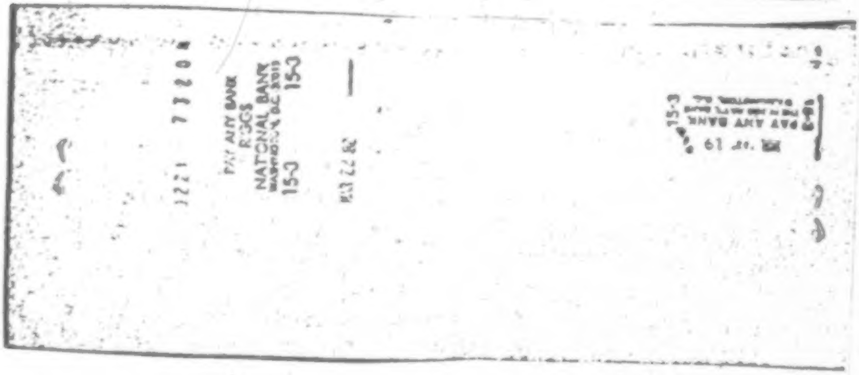
FOR DEPOSIT ONLY
#01-07224365
George Hansen - Reach Acct.

PAY ANY BANK
RIGGS
NATIONAL BANK
WASHINGTON DC 20013
15-3

MAR 22 82

PAY ANY BANK
15-3

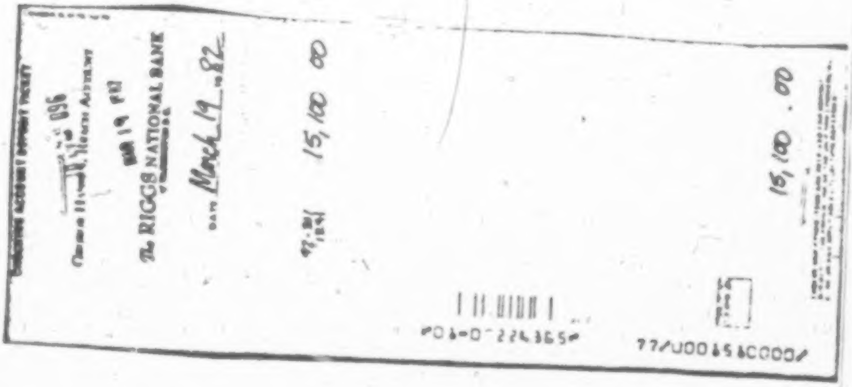
#86



PAY ANY BANK
RIGGS
NATIONAL BANK
WASHINGTON DC 20013
15-3

MAR 22 82

PAY ANY BANK
15-3



MAR 19 PM

The RIGGS NATIONAL BANK

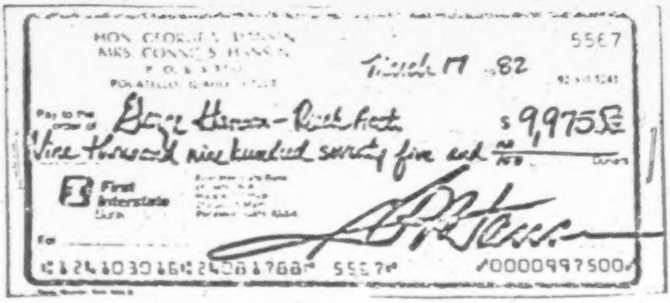
DATE March 19 82

15,100 00

15,100 . 00

⑈01-07224365⑈

⑈0001510000⑈



HON. GEORGE V. HANSEN
MRS. CONNIE S. HANSEN

5567

March 17 1982

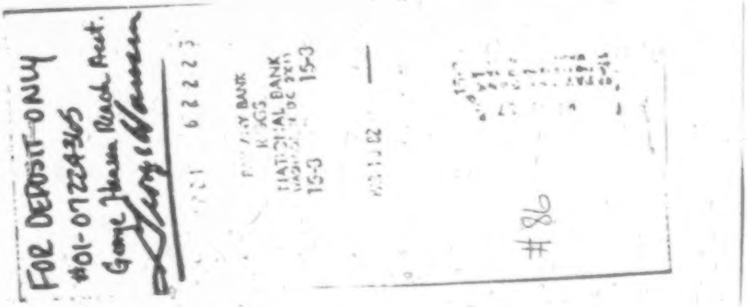
Pay to the order of George Hansen - Reach Acct. $ 9,975 00/100

Nine thousand nine hundred seventy five and 00/100 Dollars

First Interstate Bank

For

⑆124103016⑆24061768⑈ 5567⑈ ⑈0000997500⑈

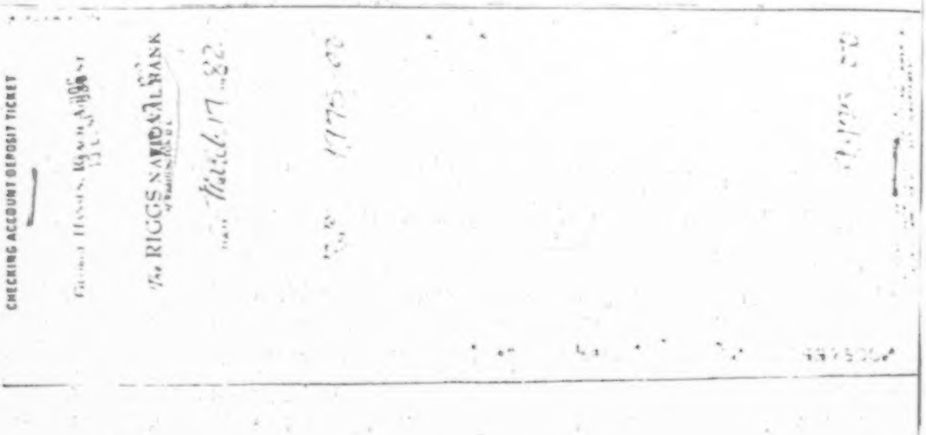


FOR DEPOSIT-ONLY
#01-07224365
George Hansen Reach Acct.
George Hansen

62223

PAY ANY BANK
RIGGS
NATIONAL BANK
WASHINGTON DC 20013
15-3 15-3

#86



CHECKING ACCOUNT DEPOSIT TICKET

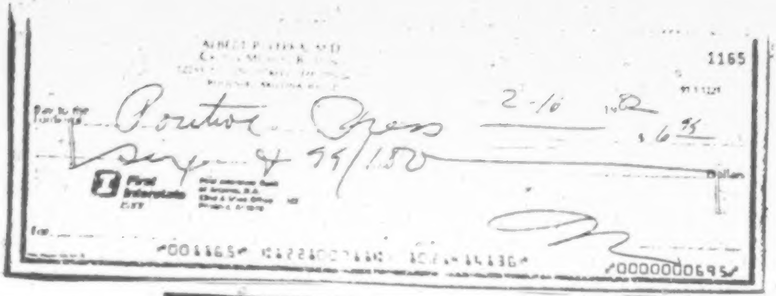
George Hansen, Reach Account

The RIGGS NATIONAL BANK
of Washington D.C.

Date March 17 1982

62227

15-3



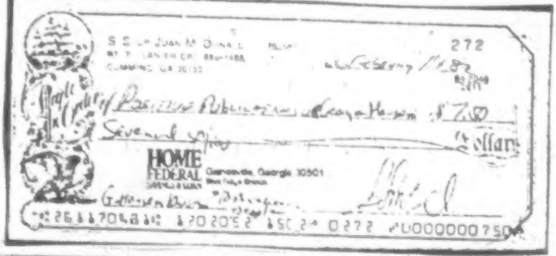
1165

Pay to the order of Positive Press 2-10 1982 $6.95

Six & 95/100 Dollars

First Interstate Bank

0000000695



272

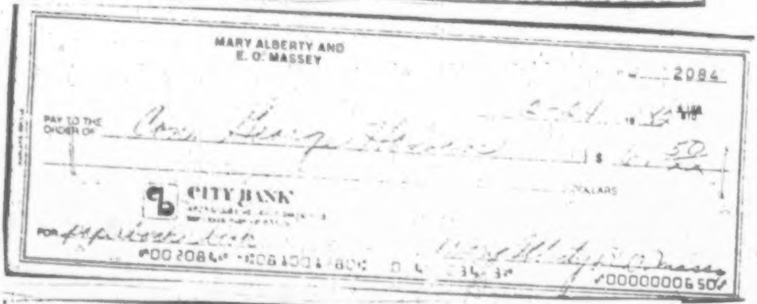
February 11 1982

Order of Positive Publications George Hansen $7.50

Seven & 50/100 Dollars

HOME FEDERAL SAVINGS & LOAN Gainesville, Georgia 30501

0272 0000000750



MARY ALBERTY AND
E. O. MASSEY

2084

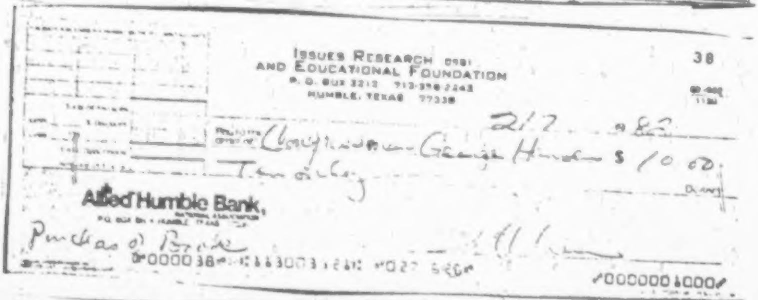
PAY TO THE ORDER OF Cong. George Hansen 1982 $6.50

DOLLARS

CITY BANK

FOR

0000000650



ISSUES RESEARCH
AND EDUCATIONAL FOUNDATION
P. O. BOX 3212 713-
HUMBLE, TEXAS 77338

38

2-17 1982

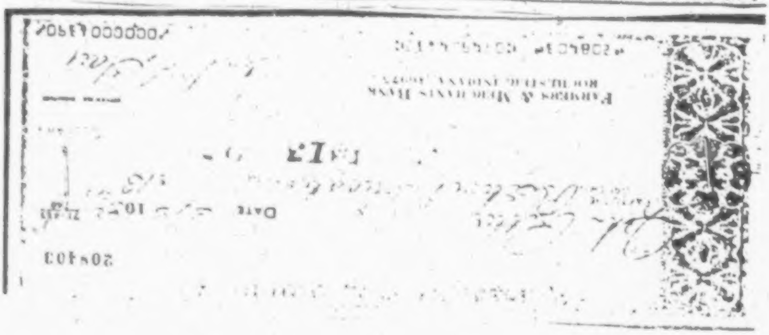
Pay to the order of Congressman George Hansen $10.00

Ten dollars

Allied Humble Bank

Purchase of Book

0000001000

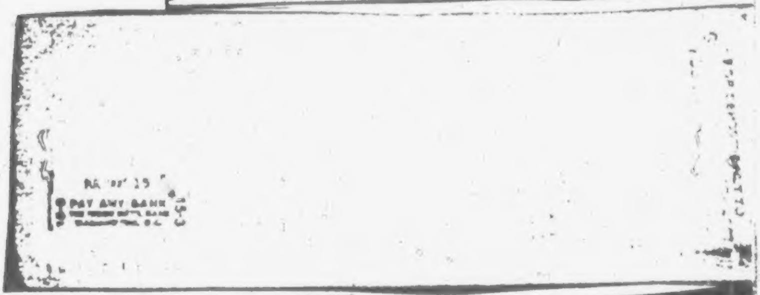


FOR DEPOSIT ONLY TO
GEORGE HANSEN—REACH ACC
POSITIVE [illegible]ATIONS

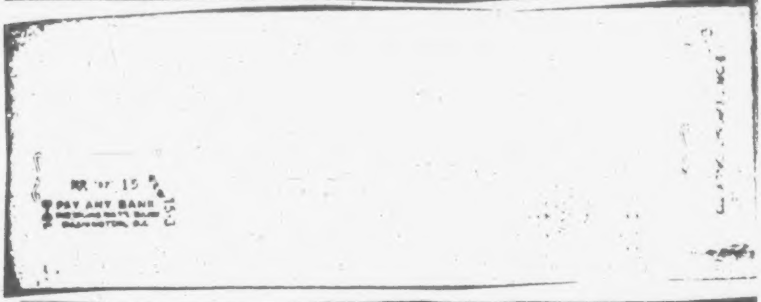
#86

PAY ANY BANK
15-3

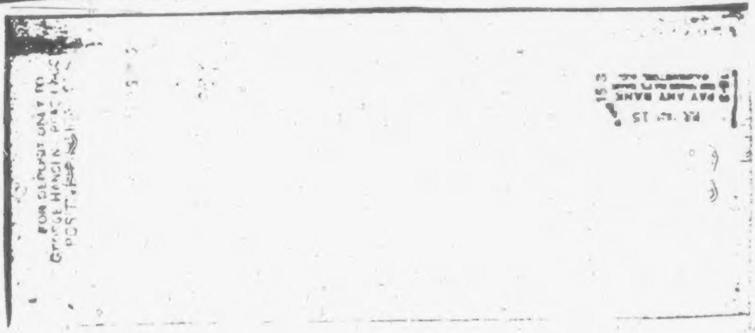
PAY ANY BANK
15-3



PAY ANY BANK
15-3

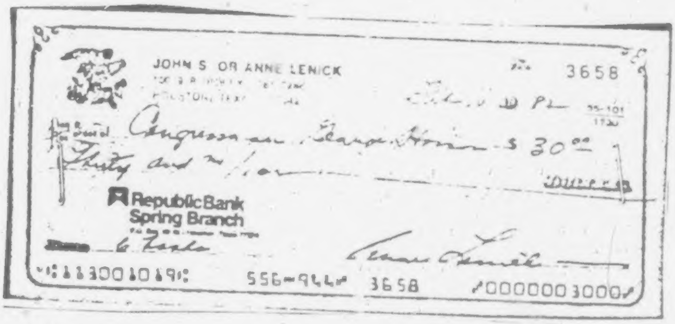


PAY ANY BANK
15-3



FOR DEPOSIT ONLY TO
GEORGE HANSEN

PAY ANY BANK
15-3



JOHN S. OR ANNE LENICK
HOUSTON, TEXAS

3658

55-101
1130

Pay to the order of Congressman George Hansen $ 30.00

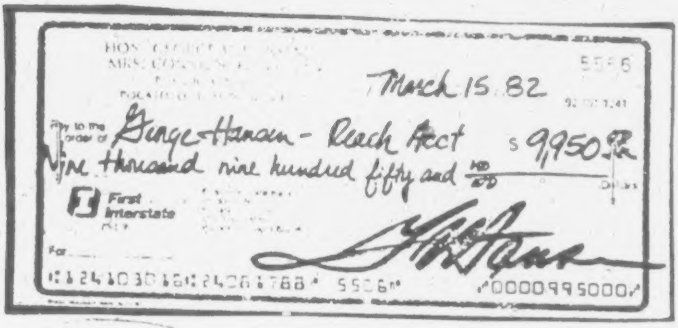
Thirty and no/100 Dollars

Republic Bank
Spring Branch

Memo 6 Books

Anne Lenick

⑆113001019⑆ 556-944⑈ 3658 ⑈0000003000⑈



5526

March 15 82

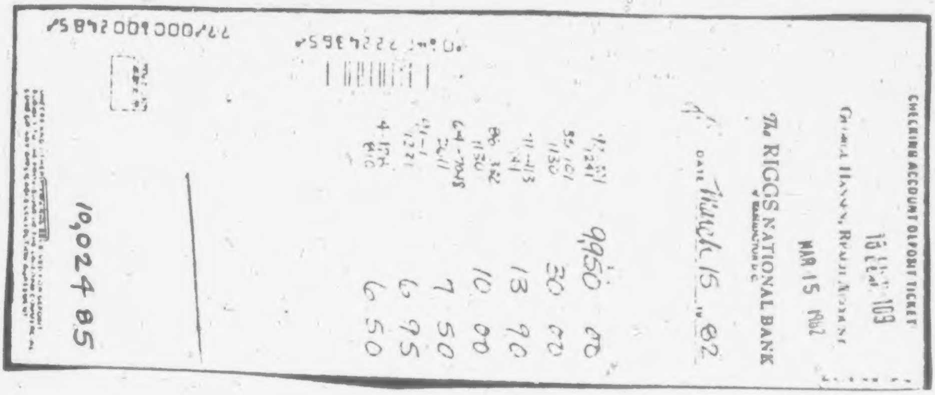
Pay to the order of George Hansen - Reach Acct $ 9,950.00

Nine thousand nine hundred fifty and no/00 Dollars

First Interstate

For

⑆124103016⑆ 2406 1788⑈ 5526⑈ ⑈0000995000⑈



CHECKING ACCOUNT DEPOSIT TICKET

15 [illegible] 109

GEORGE HANSEN, REACH ACCOUNT

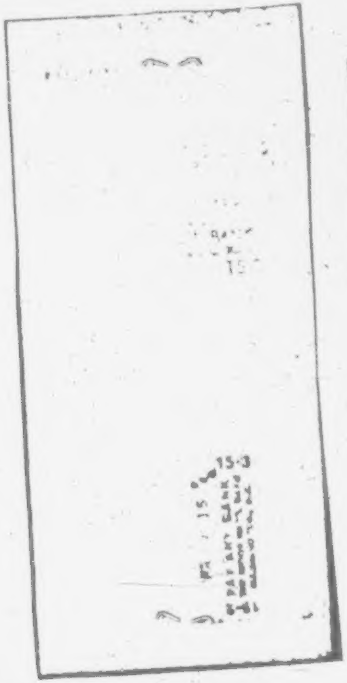
MAR 15 1982

The RIGGS NATIONAL BANK
of WASHINGTON D.C.

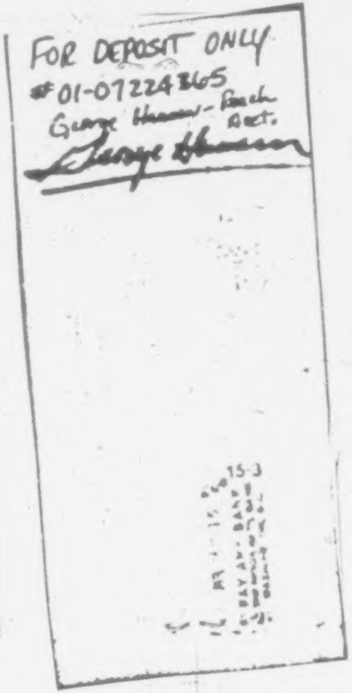
DATE March 15 19 82

92-[illegible] 1241	9,950	00
35-101 1130	30	00
11-413 141	13	90
86-382 1130	10	00
64-7048 2611	7	50
91-1 1221	6	95
4-178 810	6	50

10,024 85



15 15-3
PAY ANY BANK



FOR DEPOSIT ONLY
#01-07224365
George Hamm - Bank Acct.
George Hamm

15 15-3
PAY ANY BANK

15 15-3
PAY ANY BANK